

## **Contents page for voting statements by Workgroup Members**

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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member John Harmer (Alkane)						
Original	N	Y	N	N	N	N	
WACM1	N	Y	N	N	N	N	
WACM2	N	Y	N	N	N	N	
WACM3	N	Y	N	N	N	N	
WACM4	N	Y	N	N	N	N	
WACM5	N	Y	N	N	N	N	

WACM6	N	Y	N	N	N	N	
WACM7	N	Y	N	N	N	N	
WACM8	Y	Y	N	N	N	Y	
WACM9	Y	Y	N	N	N	Y	
WACM10	Y	Y	N	N	N	Y	
WACM11	Y	Y	Y	N	N	Y	
WACM12	N	Y	N	N	N	N	
WACM13	N	Y	N	N	N	N	
WACM14	N	Y	N	N	N	N	
WACM15	Y	Y	N	N	N	Y	
WACM16	Y	Y	N	N	N	Y	

WACM17	Y	Y	N	N	N	Y	
WACM18	Y	Y	N	N	N	Y	
WACM19	N	Y	N	N	N	N	
WACM20	Y	Y	N	N	N	Y	
WACM21	Y	Y	N	N	N	Y	
WACM22	N	Y	N	N	N	N	
WACM23	Y	Y	N	N	N	Y	

(a) The defect is identified as lack of a competitive level playing field between embedded generation (EG) and transmission connected generation (TG). But there IS currently a level playing field between ALL EG and demand side response (DSR), all of which have the same effect on the transmission system at the same node. By moving the benefit for EG away from DSR and failing to address the “behind the meter” (BTR) problem, the Original and all WACMs are replacing one distortion with another. The Alkane voting takes the view that the distortion is more fairly spread if the benefit for Affected Generation is set broadly midway between a level that makes EG competitive level with TG (recognising the benefits of market access to long term super peak prices enjoyed by TG as it is majority owned by vertically integrated players) and the level of benefit seen by DSR and BTM.

For this reason the Alkane voting has changed slightly. Where the outcome for the Affected Generator is below £20/kW the WACM has been rejected. Where there is grandfathering of a higher level then a WACM giving an Affected Generator above £20/kW has been accepted. The minimum level viewed as acceptable for all EG (i.e. where there is no grandfathering) is viewed to be £32.30/kW, the level substantiated by Cornwall Energy analysis for ADE.

Alkane argues that undermining the economics of bids made in good faith into the CM which have resulted in commitments that incur penalties for failure undermines competition as it threatens the investor commitment into the sector and so increases cost of capital and reduces the number and class of investors prepared to invest. Going forward a different set of rules is acceptable, but it is strongly preferable to insulate existing investments and commitments from any change, recognising that the forecast increases in demand residual are excessive as regards an embedded benefit.

(b) The Original and all WACMs reduce cost to the consumer (compared with the baseline) by reducing the embedded benefit.

(c) The existing methodology is pretty hopeless at meeting this objective because all of the costs of OFTOs and N-S transmission reinforcements are being lumped into a peak demand related residual charge making it ever more non cost reflective – because this cost increase is being caused by intermittent generation not demand. This should have been seen coming given the years of Government policy promoting renewables particularly Scottish onshore and all offshore wind. The Original and WACMs except Eider A WACM 11 address symptom(s) not the cause. WACM 11 alone at least attempts to isolate and deal with the cause.

(d) The existing methodology is compliant. The Original and all WACMs are compliant, but there is no improvement so none of the changes can be said to “better facilitate” the CUSC Objective

(e) The Original and all WACMs require gross metering and a change to BSC systems. All are less efficient than the baseline.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member John Harmer (Alkane)						
Original	N/A	N/A	N/A	N/A	N/A	N/A	
WACM1	N	Don't Know	N	N	Y	N	
WACM2	N	Don't Know	N	N	Y	N	
WACM3	N	Don't Know	N	N	Y	N	
WACM4	N	Don't Know	N	N	Y	N	
WACM5	N	Don't Know	N	N	Y	N	
WACM6	N	Don't Know	N	N	Y	N	

WACM7	N	Don't Know	N	N	Y	N	
WACM8	Y	Don't Know	N	N	Y	Y	
WACM9	Y	Don't Know	N	N	N	Y	
WACM10	Y	Don't Know	N	N	Y	Y	
WACM11	Y	Don't Know	Y	N	Y	Y	
WACM12	Y	Don't Know	N	N	N	Y	
WACM13	Y	Don't Know	N	N	N	Y	
WACM14	Y	Don't Know	N	N	N	Y	
WACM15	Y	Don't Know	N	N	N	Y	
WACM16	Y	Don't Know	N	N	N	Y	
WACM17	Y	Don't Know	N	N	N	Y	

WACM18	Y	Don't Know	N	N	N	Y	
WACM19	N	Y	N	N	N	Y	
WACM20	Y	Don't Know	N	N	N	Y	
WACM21	Y	Don't Know	N	N	N	Y	
WACM22	Y	Don't Know	N	N	N	Y	
WACM23	Y	Don't Know	N	N	N	Y	

**(a) The rationale for Vote 1 applies**

**(b) Apart from WACM 19 it is not possible to tell how much EG will come after the cut off and benefit from higher than zero charges which offset the amount that the Original would pay grandfathered generator. It is possible to rank some WACMs with the same cut off date and conditions but any other approach is considered speculative**

**(c) The rationale for Vote 1 applies.**

**(d) The rationale for Vote 1 applies.**

**(e) Options with no grandfathering are expected to be more efficient in terms of charging efficiency than those with grandfathering.**

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member John Harmer (Alkane)</p>	<p>WACM 21</p>	<p>This is considered to provide the best balance between maintaining investor confidence in giving existing investments and commitments the revenue they reasonably forecast, so maintaining the largest pool of investors and providing greater competition by maximising the number of players in the market. It contains a gradual ramp down to a reasonable enduring value through the lack of RPI indexation which is therefore expected to reduce the gap between the grandfathered level and the enduring value. The enduring value is set at a level which has some robust logical basis in giving an undistorted locational signal to new EG whilst maintaining zero or above demand charges so as not to give a disincentive to generate at peak. This value is above the level that TG may reasonably see but this reflects market failure in the inability for small players to access medium term super peak pricing to support financing. It is significantly below the benefit for DSR and BTM competition. It has a cut off date for grandfathering that pragmatically reflects the timescales for delivery of yet to be constructed assets to meet existing commitments.</p>

		<p>It probably gives a lower cost to consumers than the original 264 mod by limiting the rise in demand residual that would otherwise be received by existing EG, though this is a speculative assertion as it depends on the relative volume of Affected versus Grandfathered EG. It certainly gives a lower cost than the CUSC baseline. It is thus better than the baseline in terms of objective (b).</p> <p>It provides an outcome that does not cause the embedded benefit to rise with increasing OFTO and onshore transmission reinforcement. It therefore is better than the baseline in terms of objective (c).</p> <p>It is no better or worse than the baseline or Original in terms of objective (d).</p> <p>It has no more complexity than other WACMs that require grandfathering and it is demonstrably amongst the simplest in legal drafting. It is no worse than the Original but in common with all WACMs and the Original it is worse than the baseline in terms of objective (e).</p>
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Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	Workgroup member John Harmer (Alkane)						
Original	N	Y	N	N	N	N	
WACM1	N	Y	N	N	N	N	
WACM2	N	Y	N	N	N	N	
WACM3	N	Y	N	N	N	N	
WACM4	N	Y	N	N	N	N	
WACM5	N	Y	N	N	N	N	

WACM6	N	Y	N	N	N	N	
WACM7	N	Y	N	N	N	N	
WACM8	Y	Y	N	N	N	Y	
WACM9	Y	Y	N	N	N	Y	
WACM10	Y	Y	N	N	N	Y	
WACM11	Y	Y	Y	N	N	Y	
WACM12	Y	Y	N	N	N	N	
WACM13	Y	Y	N	N	N	N	
WACM14	Y	Y	N	N	N	N	
WACM15	Y	Y	N	N	N	Y	
WACM16	Y	Y	N	N	N	Y	

WACM17	Y	Y	N	N	N	Y	
WACM18	Y	Y	N	N	N	Y	

(a) The defect is identified as lack of a competitive level playing field between embedded generation (EG) and transmission connected generation (TG), specifically in the capacity market. But there IS currently a level playing field between ALL EG and demand side response (DSR), all of which have the same effect on the transmission system at the same node. By moving the benefit for EG away from DSR and failing to address the “behind the meter” (BTM) problem, the Original and all WACMs are replacing one distortion with another. The Original is particularly discriminatory. It maintains the embedded benefit at existing levels for the majority of the EG that dispatches at peak, but specifically targets CM contracted generation. The magnitude of the distortion to past CM tenders is not quantified, its existence is merely asserted. If implemented this mod assuredly removes some players from the market, undermines investor confidence and the impact of such regulatory change increases uncertainty which feeds into an increased cost of capital which is of detriment to consumers. CMP265 appears designed to be so bad in its Original form that it changes the focus debate. Instead of debating whether mod CMP264 is good or bad, the debate has been whether CMP264 or CMP265 is the worst, and participants in the process are led to debate variations of CMP264 rather than maintain focus on whether CMP264 is in itself a good approach. It is notable that no WACM for CMP265 alone made it through the voting process. All WACMs for CMP265 are also WACMs for CMP264. Alkane voting takes the view that the distortion in the market is more fairly spread if the benefit for affected generation is set broadly midway between a level that makes EG competitive level with TG (recognising the benefits of market access to long term super peak prices enjoyed by TG) and the level of benefit seen by DSR and BTM.

For this reason the Alkane voting has changed slightly. Where the outcome for the Affected Generator is below £20/kW the WACM has been rejected. Where there is grandfathering of a higher level then a WACM giving an Affected Generator above £20/kW has been accepted. The minimum level viewed as acceptable for all EG (i.e. where there is no grandfathering) is viewed to be £32.30/kW, the level substantiated by Cornwall Energy analysis for ADE.

Alkane argues that undermining the economics of bids made in good faith into the CM which have resulted in commitments that incur penalties for failure undermines competition as it threatens the investor commitment into the sector and so increases cost of capital and reduces the number and class of investors prepared to invest. Going forward a different set of rules is acceptable, but it is strongly preferable to insulate existing investments and commitments from any change, recognising that the forecast increases in demand residual are excessive as regards an embedded benefit.

(b) The Original will almost certainly force up costs in the capacity market for future tenders by removing some players and potentially increasing volume if existing contracts are subject to default, whilst leaving most of the EG continuing to receive embedded benefit. Although it will in isolation probably reduce TNUoS costs to consumers, overall costs to consumers may well rise as a result. This has been demonstrated by analysis tabled by UKPR. In isolation the answer to this objective is yes, because it should reduce TNUoS cost to the consumer (compared with the baseline) by reducing the embedded benefit for some participants. But this is not the whole story.

(c) The existing methodology is pretty hopeless at meeting this objective because all of the costs of OFTOs and N-S transmission reinforcements are being lumped into a peak demand related residual charge making it ever more non cost reflective – because this cost increase is being caused by intermittent generation not demand. This should have been seen coming given the years of Government policy promoting renewables particularly Scottish onshore and all offshore wind. The Original and WACMs except Eider A WACM 11 address symptom(s) not the cause. WACM 11 alone at least attempts to isolate and deal with the cause.

(d) The existing methodology is compliant. The Original and all WACMs are compliant, but there is no improvement so none of the changes can be said to “better facilitate” the CUSC Objective

(e) The Original and all WACMs require gross metering and a change to BSC systems. All are less efficient than the baseline.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Insert name}						
Original	N/A	N/A	N/A	N/A	N/A	N/A	
WACM1	Y	Don't Know	N	N	Y	N	
WACM2	Y	Don't Know	N	N	Y	N	
WACM3	Y	Don't Know	N	N	Y	N	
WACM4	Y	Don't Know	N	N	Y	N	
WACM5	Y	Don't Know	N	N	Y	N	
WACM6	Y	Don't Know	N	N	Y	N	

WACM7	Y	Don't Know	N	N	Y	N	
WACM8	Y	Don't Know	N	N	Y	Y	
WACM9	Y	Don't Know	N	N	N	Y	
WACM10	Y	Don't Know	N	N	Y	Y	
WACM11	Y	Don't Know	Y	N	Y	Y	
WACM12	Y	Don't Know	N	N	N	Y	
WACM13	Y	Don't Know	N	N	N	Y	
WACM14	Y	Don't Know	N	N	N	Y	
WACM15	Y	Don't Know	N	N	N	Y	
WACM16	Y	Don't Know	N	N	N	Y	
WACM17	Y	Don't Know	N	N	N	Y	

WACM18	Y	Don't Know	N	N	N	Y	
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(a) The rationale for Vote 1 applies

(b) Apart from WACM 19 it is not possible to tell how much EG will come after the cut off and benefit from higher than zero charges which offset the amount that the Original would pay grandfathered generator. It is possible to rank some WACMs with the same cut off date and conditions but any other approach is considered speculative

(c) The rationale for Vote 1 applies.

(d) The rationale for Vote 1 applies.

(e) Options with no grandfathering are expected to be more efficient in terms of charging efficiency than those with grandfathering.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member John Harmer (Alkane)</p>	<p>WACM 10</p>	<p>This is the option that is considered to best match the preferred option for CMP264 which is not available within CMP265. It maintains investor confidence in giving existing investments and commitments the revenue they reasonably forecast, so maintaining the largest pool of investors and providing greater competition by maximising the number of players in the market. The enduring value maintains this level over time. This value is above the level that TG may reasonably see but this reflects market failure in the inability for small players to access medium term super peak pricing to support financing. It is below the benefit for DSR and BTM competition.</p> <p>It probably gives a lower cost to consumers than the original 265 mod because it limits the benefit for all EG, not just close with CM contracts. This is speculative as the amount of new CM contracts which would be included with zero Triad is subject to uncertainty. It certainly gives a lower cost than the CUSC baseline. It is thus better than the baseline in terms of objective (b).</p>

		<p>It provides an outcome that does not cause the embedded benefit to rise with increasing OFTO and onshore transmission reinforcement. It therefore is better than the baseline in terms of objective (c).</p> <p>It is no better or worse than the baseline or Original in terms of objective (d).</p> <p>It is less complex to implement than the Original and other WACMs that require grandfathering and it is demonstrably amongst the simplest in legal drafting. In common with all WACMs and the Original it is worse than the baseline in terms of objective (e).</p>
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Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member John Harmer (Alkane)					
Original	N	N	N	N	N	
WACM1	N	N	N	N	N	
WACM2	N	N	N	N	N	
WACM3	N	N	N	N	N	
WACM4	N	N	N	N	N	
WACM5	N	N	N	N	N	

WACM6	N	N	N	N	N	
WACM7	N	N	N	N	N	
WACM8	N	Y	N	N	Y	
WACM9	N	Y	N	N	Y	
WACM10	N	Y	N	N	Y	
WACM11	N	Y	N	N	Y	
WACM12	N	N	N	N	N	
WACM13	N	N	N	N	N	
WACM14	N	N	N	N	N	
WACM15	N	Y	N	N	Y	
WACM16	N	Y	N	N	Y	

WACM17	N	Y	N	N	Y	
WACM18	N	Y	N	N	Y	
WACM19	N	N	N	N	N	
WACM20	N	Y	N	N	Y	
WACM21	N	Y	N	N	Y	
WACM22	N	N	N	N	N	
WACM23	N	Y	N	N	Y	

**(a) The Original and all WACMs require gross metering and a change to BSC systems. All are less efficient than the baseline.**

**(b) The defect is identified as lack of a competitive level playing field between embedded generation (EG) and transmission connected generation (TG). But there IS currently a level playing field between ALL EG and demand side response (DSR), all of which have the same effect on the transmission system at the same node. By moving the benefit for EG away from DSR and failing to address the “behind the meter” (BTR) problem, the Original and all WACMs are replacing one distortion with another. The Alkane voting takes the view that the distortion is more fairly spread if the benefit for Affected Generation is set broadly midway between a level that makes EG competitive level with TG (recognising the benefits of market access to long term super peak prices enjoyed by TG as it is majority owned by vertically integrated players) and the level of benefit seen by DSR and BTM.**

For this reason the Alkane voting has changed slightly. Where the outcome for the Affected Generator is below £20/kW the WACM has been rejected. Where there is grandfathering of a higher level then a WACM giving an Affected Generator above £20/kW has been accepted. The minimum level viewed as acceptable for all EG (i.e. where there is no grandfathering) is viewed to be £32.30/kW, the level substantiated by Cornwall Energy analysis for ADE.

Alkane argues that undermining the economics of bids made in good faith into the CM which have resulted in commitments that incur penalties for failure undermines competition as it threatens the investor commitment into the sector and so increases cost of capital and reduces the number and class of investors prepared to invest. Going forward a different set of rules is acceptable, but it is strongly preferable to insulate existing investments and commitments from any change, recognising that the forecast increases in demand residual are excessive as regards an embedded benefit.

(c) The existing methodology is compliant. The Original and all WACMs are compliant, but there is no improvement so none of the changes can be said to “better facilitate” the CUSC Objective

(d) The Original and all WACMs require gross metering and a change to BSC systems. All are less efficient than the baseline.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original	N/A	N/A	N/A	N/A	N/A	
WACM1	Y	Don't Know	N	Y	N	
WACM2	Y	Don't Know	N	Y	N	
WACM3	Y	Don't Know	N	Y	N	
WACM4	Y	Don't Know	N	Y	N	
WACM5	Y	Don't Know	N	Y	N	

WACM6	Y	Don't Know	N	Y	N	
WACM7	Y	Don't Know	N	Y	N	
WACM8	Y	Don't Know	N	Y	Y	
WACM9	N	Don't Know	N	N	Y	
WACM10	Y	Don't Know	N	Y	Y	
WACM11	Y	Don't Know	N	Y	Y	
WACM12	N	Don't Know	N	N	Y	
WACM13	N	Don't Know	N	N	Y	
WACM14	N	Don't Know	N	N	Y	
WACM15	N	Don't Know	N	N	Y	
WACM16	N	Don't Know	N	N	Y	

WACM17	N	Don't Know	N	N	Y	
WACM18	N	Don't Know	N	N	Y	
WACM19	N	Y	N	N	Y	
WACM20	N	Don't Know	N	N	Y	
WACM21	N	Don't Know	N	N	Y	
WACM22	N	Don't Know	N	N	Y	
WACM23	N	Don't Know	N	N	Y	

**(a) Options with no grandfathering are expected to be more efficient in terms of charging efficiency than those with grandfathering**

**(b) The rationale for Vote 1 applies.**

**(c) The rationale for Vote 1 applies.**

**(d) Options with no grandfathering are expected to be more efficient in terms of charging efficiency than those with grandfathering.**

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member John Harmer (Alkane)</p>	<p>WACM 21</p>	<p>This is considered to provide the best balance between maintaining investor confidence in giving existing investments and commitments the revenue they reasonably forecast, so maintaining the largest pool of investors and providing greater competition by maximising the number of players in the market. It contains a gradual ramp down to a reasonable enduring value through the lack of RPI indexation which is therefore expected to reduce the gap between the grandfathered level and the enduring value. The enduring value is set at a level which has some robust logical basis in giving an undistorted locational signal to new EG whilst maintaining zero or above demand charges so as not to give a disincentive to generate at peak. This value is above the level that TG may reasonably see but this reflects market failure in the inability for small players to access medium term super peak pricing to support financing. It is significantly below the benefit for DSR and BTM competition. It has a cut off date for grandfathering that pragmatically reflects the timescales for delivery of yet to be constructed assets to meet existing commitments.</p> <p>This is considered to provide a compromise that spreads</p>

		<p>the competitive distortion relatively evenly between TG, EG, behind the meter generation and DSR so is optimum in terms of objective (b).</p> <p>It probably gives a lower cost to consumers than the original 269 mod by limiting the rise in demand residual that would otherwise be received by existing EG, though this is a speculative assertion as it depends on the relative volume of Affected versus Grandfathered EG. It certainly gives a lower cost than the CUSC baseline. It provides an outcome that does not cause the embedded benefit to rise with increasing OFTO and onshore transmission reinforcement.</p> <p>It is no better or worse than the baseline or Original in terms of objective (c).</p> <p>It has no more complexity than other WACMs that require grandfathering and it is demonstrably amongst the simplest in legal drafting. It is no worse than the Original but in common with all WACMs and the Original it is worse than the baseline in terms of objectives (a) and (d).</p>
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Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP270:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member John Harmer (Alkane)					
Original	N	N	N	N	N	
WACM1	N	N	N	N	N	
WACM2	N	N	N	N	N	
WACM3	N	N	N	N	N	
WACM4	N	N	N	N	N	
WACM5	N	N	N	N	N	

WACM6	N	N	N	N	N	
WACM7	N	N	N	N	N	
WACM8	N	Y	N	N	Y	
WACM9	N	Y	N	N	Y	
WACM10	N	Y	N	N	Y	
WACM11	N	Y	N	N	Y	
WACM12	N	Y	N	N	N	
WACM13	N	Y	N	N	N	
WACM14	N	Y	N	N	N	
WACM15	N	Y	N	N	Y	
WACM16	N	Y	N	N	Y	

WACM17	N	Y	N	N	Y	
WACM18	N	Y	N	N	Y	

**(a) The Original and all WACMs require gross metering and a change to BSC systems. All are less efficient than the baseline.**

**(b) The defect is identified as lack of a competitive level playing field between embedded generation (EG) and transmission connected generation (TG), specifically in the capacity market. But there IS currently a level playing field between ALL EG and demand side response (DSR), all of which have the same effect on the transmission system at the same node. By moving the benefit for EG away from DSR and failing to address the “behind the meter” (BTM) problem, the Original and all WACMs are replacing one distortion with another. The Original is particularly discriminatory. It maintains the embedded benefit at existing levels for the majority of the EG that generates at Triad, but specifically targets CM contracted generation. The magnitude of the distortion to past CM tenders is not quantified, its existence is merely asserted. If implemented this mod assuredly removes some players from the market, undermines investor confidence and the impact of such regulatory change increases uncertainty which feeds into an increased cost of capital which is of detriment to consumers. CMP265 appears designed to be so bad in its Original form that it changes the focus debate. Instead of debating whether mod CMP264 is good or bad, the debate has been whether CMP264 or CMP265 is the worst, and participants in the process are led to debate variations of CMP264 rather than maintain focus on whether CMP264 is in itself a good approach. It is notable that no WACM for CMP265 alone made it through the voting process. All WACMs for CMP265 are also WACMs for CMP264.**

**Alkane voting takes the view that the distortion in the market is more fairly spread if the benefit for affected generation is set broadly midway between a level that makes EG competitive level with TG (recognising the benefits of market access to long term super peak prices enjoyed by TG) and the level of benefit seen by DSR and BTM.**

For this reason the Alkane voting has changed slightly. Where the outcome for the Affected Generator is below £20/kW the WACM has been rejected. Where there is grandfathering of a higher level then a WACM giving an Affected Generator above £20/kW has been accepted. The minimum level viewed as acceptable for all EG (i.e. where there is no grandfathering) is viewed to be £32.30/kW, the level substantiated by Cornwall Energy analysis for ADE.

Alkane argues that undermining the economics of bids made in good faith into the CM which have resulted in commitments that incur penalties for failure undermines competition as it threatens the investor commitment into the sector and so increases cost of capital and reduces the number and class of investors prepared to invest. Going forward a different set of rules is acceptable, but it is strongly preferable to insulate existing investments and commitments from any change, recognising that the forecast increases in demand residual are excessive as regards an embedded benefit.

(c) The existing methodology is compliant. The Original and all WACMs are compliant, but there is no improvement so none of the changes can be said to “better facilitate” the CUSC Objective

(d) The Original and all WACMs require gross metering and a change to BSC systems. All are less efficient than the baseline.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member John Harmer (Alkane)					
Original	N	N	N	N	N	
WACM1	N	Don't Know	N	N	N	
WACM2	N	Don't Know	N	N	N	
WACM3	N	Don't Know	N	N	N	
WACM4	N	Don't Know	N	N	N	
WACM5	N	Don't Know	N	N	N	

WACM6	N	Don't Know	N	N	N	
WACM7	N	Don't Know	N	N	N	
WACM8	N	Don't Know	N	N	Y	
WACM9	N	Don't Know	N	N	Y	
WACM10	N	Don't Know	N	N	Y	
WACM11	N	Don't Know	N	N	Y	
WACM12	N	Don't Know	N	N	N	
WACM13	N	Don't Know	N	N	N	
WACM14	N	Don't Know	N	N	N	
WACM15	N	Don't Know	N	N	Y	
WACM16	N	Don't Know	N	N	Y	

WACM17	N	Don't Know	N	N	Y	
WACM18	N	Don't Know	N	N	Y	

**(a) Options with no grandfathering are expected to be more efficient in terms of charging efficiency than those with grandfathering.**

**(b) The rationale for Vote 1 applies**

**c) The existing methodology is compliant. The Original and all WACMs are compliant, but there is no improvement so none of the changes can be said to “better facilitate” the CUSC Objective**

**(d) Options with no grandfathering are expected to be more efficient in terms of charging efficiency than those with grandfathering.**

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member John Harmer (Alkane)</p>	<p>WACM 10</p>	<p>This is the option that is considered to best match the preferred option for CMP269 which is not available within CMP270. It maintains investor confidence in giving existing investments and commitments the revenue they reasonably forecast, so maintaining the largest pool of investors and providing greater competition by maximising the number of players in the market. The enduring value maintains this level over time. This value is above the level that TG may reasonably see but this reflects market failure in the inability for small players to access medium term super peak pricing to support financing. It is below the benefit for DSR and BTM competition. It therefore is a compromise in respect of objective (b)</p> <p>It probably gives a lower cost to consumers than the original 270 mod because it limits the benefit for all EG, not just close with CM contracts. This is speculative as the amount of new CM contracts which would be included with zero Triad is subject to uncertainty. It certainly gives a lower cost than the CUSC baseline.</p>

		<p>It is no better or worse than the baseline or Original in terms of objective (c).</p> <p>It is less complex to implement than the Original and other WACMs that require grandfathering and it is demonstrably amongst the simplest in legal drafting. In common with all WACMs and the Original it is worse than the baseline in terms of objectives (a) and (d).</p>
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Tim Collins}						
Original	N	N	-	-	N	N	<p>Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.</p> <p>Value for new DG residual is out of line with values accruing to TG having the same effect on the transmission network, which could also be viewed as contrary to effective competition.</p>

WACM1	Y	Y	-	-	-	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. Preferred implementation date of April 2020 respects the CM price commitment cycle. Relatively simple to implement compared with other WACMs and decent lead time allowed for system/process changes.
WACM2	Y	Y	-	-	-	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. However, proposed implementation date is a key sensitivity and could affect WACM's performance against CUSC objectives. Relatively simple to implement compared with other WACMs.
WACM3	N	Y	-	-	-	N	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.

WACM4	N	Y	-	-	-	N	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Potential issue of abrupt implementation that is out of step with Capacity Market auction cycle.
WACM5	Y	Y	-	-	-	Y	Ensures equivalent residuals between EG and TG. However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Implementation abrupt and out of step with Capacity Market auction cycle.
WACM6	N	Y	-	-	-	N	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward (in DG’s favour) –which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.

WACM7	N	Y	-	-	-	N	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward, which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM8	N	N	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM9	N	N	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM10	N	N	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.

WACM11	N	N	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM12	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM13	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM14	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

WACM15	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM16	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM17	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM18	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that

							treat all DG equivalently.
WACM19	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM20	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM21	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM22	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission

							network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM23	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO	Better facilitates ACO	Better facilitates ACO	Better facilitates ACO	Better facilitates	Overall (Y/N)	Rationale
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	(a)	(b)?	(c)?	(d)?	ACO (e)?		
	Workgroup member {Insert name}						
Original	n/a	n/a	n/a	n/a	n/a	n/a	
WACM1	Y	Y	-	-	Y	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. Preferred implementation date of April 2020 respects the CM price commitment cycle. Relatively simple to implement compared with other WACMs and decent lead time allowed for system/process changes.
WACM2	Y	Y	-	-	-	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. However, proposed implementation date is a key sensitivity and could affect WACM's performance against CUSC objectives. Relatively simple to implement compared with other WACMs provided sufficient lead time is given.
WACM3	-	Y	-	-	-	Y	Some positive attributes (ends non-cost reflective

							demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM4	-	Y	-	-	-	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Potential issue of abrupt implementation that is out out of step with Capacity Market auction cycle.
WACM5	Y	Y	-	-	-	Y	Ensures equivalent residuals between EG and TG. However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Implementation abrupt and out of step with Capacity Market auction cycle.
WACM6	-	Y	-	-	-	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However

							practical effect of doing so leaves TG and DG residuals out of line going forward (in DG's favour) – which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM7	-	Y	-	-	-	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward, which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM8	-	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM9	-	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.

WACM10	-	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM11	-	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM12	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM13	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM14	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats

							parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM15	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM16	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM17	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

WACM18	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM19	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM20	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM21	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat

							all DG equivalently.
WACM22	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM23	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM1	Performs best against the relevant objectives. Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. Preferred implementation date of April 2020 respects the CM price commitment cycle. Relatively simple to implement compared with other WACMs and decent lead time allowed for system/process changes.

Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Tim Collins}						
Original	N	N	-	-	N	N	In effect, CPM265 gives DG a choice between status quo TRIAD payments and the CM. As status quo TRIAD payments are higher value than the CM, we expect most DG will simply opt out of the CM to protect their TRIAD revenues. This essentially perpetuates the status quo and its lack of cost reflectivity. DG will continue to enjoy significant financial advantage over TG for reasons unrelated to their underlying cost impact on the Transmission Network, which is contrary to effective competition. We also believe that having to make provision in the codes for DG in and out the CM will add administrative complexity, which works against objective (e).

WACM1	Y	Y	-	-	-	Y	Broadly creates equivalence in TNUoS charging between new EG, existing EG and TG so significant benefits to cost reflectivity and effective competition. <b>Avoids linking EG TNUoS to the Capacity Market, which is arbitrary and unnecessary.</b> Preferred implementation date of April 2020 respects the CM price commitment cycle. Relatively simple to implement compared with other WACMs and decent lead time allowed for system/process changes
WACM2	Y	Y	-	-	-	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. However, proposed implementation date is a key sensitivity and could affect WACM's performance against CUSC objectives. Relatively simple to implement compared with other WACMs.
WACM3	N	Y	-	-	-	N	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Implementation abrupt and

							out of step with Capacity Market auction cycle.
WACM4	N	Y	-	-	-	N	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Potential issue of abrupt implementation that is out out of step with Capacity Market auction cycle.
WACM5	Y	Y	-	-	-	Y	Ensures equivalent residuals between EG and TG. However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Implementation abrupt and out of step with Capacity Market auction cycle.
WACM6	N	Y	-	-	-	N	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward (in DG’s favour) –which is contrary to effective competition. Implementation abrupt and out of step with

							Capacity Market auction cycle.
WACM7	N	Y	-	-	-	N	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward, which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM8	N	N	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM9	N	N	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM10	N	N	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to

							effective competition and cost reflectivity.
WACM11	N	N	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM12	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM13	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM14	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that

							treat all DG equivalently.
WACM15	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM16	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM17	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM18	N	N	-	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission

							network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
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**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Tim Collins}						
Original	n/a	n/a	n/a	n/a	n/a	n/a	
WACM1	Y	Y	-	-	Y	Y	Broadly creates equivalence in TNUoS charging between new EG, existing EG and TG so significant benefits to cost reflectivity and effective competition. <b>Avoids linking EG TNUoS to the Capacity Market, which is arbitrary and unnecessary.</b> Preferred implementation date of April 2020 respects the CM price commitment cycle. Relatively simple to implement compared with other WACMs and decent lead time allowed for system/process changes
WACM2	Y	Y	-	-	-	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. However, proposed implementation date is a key sensitivity and could affect WACM's performance against CUSC objectives. Relatively

							simple to implement compared with other WACMs.
WACM3	-	Y	-	-	-	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM4	-	Y	-	-	-	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Potential issue of abrupt implementation that is out out of step with Capacity Market auction cycle.
WACM5	Y	Y	-	-	-	Y	Ensures equivalent residuals between EG and TG. However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Implementation abrupt and out of step with Capacity Market auction cycle.

WACM6	-	Y	-	-	-	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward (in DG’s favour) – which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM7	-	Y	-	-	-	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward, which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM8	-	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM9	-	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective

							competition and cost reflectivity.
WACM10	-	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM11	-	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM12	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM13	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

WACM14	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM15	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM16	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM17	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat

							all DG equivalently.
WACM18	-	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM1	Performs best against the relevant objectives. Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. Avoids linking EG TNUoS to the Capacity Market, which is arbitrary and unnecessary. Preferred implementation date of April 2020 respects the CM price commitment cycle. Relatively simple to implement compared with other WACMs and decent lead time allowed for system/process changes.

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {Tim Collins}					
Original	-	N	-	N	N	<p>Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.</p> <p>Value for new DG residual is out of line with values accruing to TG having the same effect on the transmission network, which could also be viewed as contrary to effective competition.</p>

WACM1	-	Y	-	Y	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. Preferred implementation date of April 2020 respects the CM price commitment cycle. Relatively simple to implement compared with other WACMs and decent lead time allowed for system/process changes.
WACM2	-	Y	-	-	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to effective competition. However, proposed implementation date is a key sensitivity and could affect WACM's performance against CUSC objectives. Relatively simple to implement compared with other WACMs.
WACM3	-	N	-	-	N	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.

WACM4	-	<b>N</b>	-	-	<b>N</b>	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Potential issue of abrupt implementation that is out of step with Capacity Market auction cycle.
WACM5	-	<b>Y</b>	-	-	<b>Y</b>	Ensures equivalent residuals between EG and TG. However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Implementation abrupt and out of step with Capacity Market auction cycle.
WACM6	-	<b>N</b>	-	-	<b>N</b>	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward (in DG’s favour) –which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.

WACM7	-	<b>N</b>			<b>N</b>	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward, which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM8	-	<b>N</b>			<b>n</b>	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM9	-	<b>N</b>			<b>n</b>	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM10	-	<b>N</b>			<b>n</b>	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM11	-	<b>N</b>			<b>n</b>	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to

						DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM12	-	<b>N</b>	-	<b>N</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM13	-	<b>N</b>	-	<b>N</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM14	-	<b>N</b>	-	<b>N</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM15	-	<b>N</b>	-	<b>N</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the

						transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM16	-	<b>N</b>	-	<b>N</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM17	-	<b>N</b>	-	<b>N</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM18	-	<b>N</b>	-	<b>N</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM19	-	<b>N</b>	-	<b>N</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats

						parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM20	-	<b>N</b>	-	<b>N</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM21	-	<b>N</b>	-	<b>N</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM22	-	<b>N</b>	-	<b>N</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

WACM23	-	N	-	N	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
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## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original	n/a	n/a	n/a	n/a	n/a	n/a
WACM1	-	Y	-	Y	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and

						effective competition. Preferred implementation date of April 2020 respects the CM price commitment cycle. Relatively simple to implement compared with other WACMs and decent lead time allowed for system/process changes.
WACM2	-	Y	-	-	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. However, proposed implementation date is a key sensitivity and could affect WACM's performance against CUSC objectives. Relatively simple to implement compared with other WACMs provided sufficient lead time is given.
WACM3	-	-	-	Y	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.

WACM4	-	-	-	Y	y	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Potential issue of abrupt implementation that is out out of step with Capacity Market auction cycle.
WACM5	-	Y	-	Y	Y	Ensures equivalent residuals between EG and TG. However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Implementation abrupt and out of step with Capacity Market auction cycle.
WACM6	-	-	-	Y	y	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward (in DG’s favour) –which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.

WACM7	-	-	-	Y	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward, which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM8	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM9	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM10	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM11	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to

						DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM12	-	-	-	-	<b>N</b>	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM13	-	-	-	-	<b>N</b>	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM14	-	-	-	-	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM15	-	-	-	-	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

WACM16	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM17	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM18	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM19	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

WACM20	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM21	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM22	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM23	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM1	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. Preferred implementation date of April 2020 respects the CM price commitment cycle. Relatively simple to implement compared with other WACMs and decent lead time allowed for system/process changes.

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP270:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {Tim Collins}					
Original		N		N	N	In effect, CPM265 gives DG a choice between status quo TRIAD payments and the CM. As status quo TRIAD payments are higher value than the CM, we expect most DG will simply opt out of the CM to protect their TRIAD revenues. This essentially perpetuates the status quo and its lack of cost reflectivity. DG will continue to enjoy significant financial advantage over TG for reasons unrelated to their underlying cost impact on the Transmission Network, which is contrary to effective competition. We also believe that having to make provision in the codes for DG in and out the CM will add administrative complexity, which works against objective (d).

WACM1	-	Y	-	Y	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. Avoids linking EG TNUoS to the Capacity Market, which is arbitrary and unnecessary. Preferred implementation date of April 2020 respects the CM price commitment cycle. Relatively simple to implement compared with other WACMs and decent lead time allowed for system/process changes.
WACM2	-	Y	-		Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. Avoids linking EG TNUoS to the Capacity Market, which is arbitrary and unnecessary. However, proposed implementation date is a key sensitivity and could affect WACM's performance against CUSC objectives. Relatively simple to implement compared with other WACMs
WACM3		N	-	-		Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to

						effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM4	-	<b>N</b>	-	-	<b>N</b>	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Potential issue of abrupt implementation that is out out of step with Capacity Market auction cycle.
WACM5		<b>Y</b>	-	-	<b>Y</b>	Ensures equivalent residuals between EG and TG. However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Implementation abrupt and out of step with Capacity Market auction cycle.
WACM6	-	<b>N</b>	-	-	<b>N</b>	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward (in DG’s favour) –which is contrary to effective competition. Implementation abrupt and out of step with

						Capacity Market auction cycle.
WACM7	-	<b>N</b>	-	-	<b>N</b>	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward, which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM8	-	<b>N</b>	-	-	<b>N</b>	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM9	-	<b>N</b>	-	-	<b>N</b>	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM10	-	<b>N</b>	-	-	<b>N</b>	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.

WACM11	-	<b>N</b>	-	-	<b>N</b>	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM12	-	<b>N</b>	-	<b>n</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM13	-	<b>N</b>	-	<b>n</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM14	-	<b>N</b>	-	<b>n</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

WACM15	-	<b>N</b>	-	<b>n</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM16	-	<b>N</b>	-	<b>n</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM17	-	<b>N</b>	-	<b>n</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM18	-	<b>N</b>	-	<b>n</b>	<b>N</b>	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {Tim Collins}					
Original	n/a	n/a	n/a	n/a	n/a	n/a
WACM1	-	Y	-	Y	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. Avoids linking EG TNUoS to the Capacity Market, which is arbitrary and unnecessary. Preferred implementation date of April 2020 respects the CM price commitment cycle. Relatively simple to implement compared with other WACMs and decent lead time allowed for system/process changes.

WACM2	-	Y	-	-	Y	Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost reflectivity and effective competition. However, proposed implementation date is a key sensitivity and could affect WACM's performance against CUSC objectives. Relatively simple to implement compared with other WACMs.
WACM3	-	-	-	-	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM4	-	-	-	-	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Also leaves TG and DG residuals out of line going forward, which could be viewed as contrary to effective competition. Potential issue of abrupt implementation that is out out of step with Capacity Market auction cycle.

WACM5	-	Y	-	-	Y	Ensures equivalent residuals between EG and TG. However, avoided GSP investment case has not been sufficiently argued (e.g, exporting GSPs). Implementation abrupt and out of step with Capacity Market auction cycle.
WACM6	-	-	-	-	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward (in DG’s favour) –which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.
WACM7	-	-	-	-	Y	Some positive attributes (ends non-cost reflective demand residual payment to DG). Some sympathy with aim of “lifting” tariffs to ensure relative zonal price signals for DG are maintained. However practical effect of doing so leaves TG and DG residuals out of line going forward (in DG’s favour) –which is contrary to effective competition. Implementation abrupt and out of step with Capacity Market auction cycle.

WACM8	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM9	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM10	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM11	-	-	-	-	N	No justification for enduring DG residual credit at the level proposed. Gives higher remuneration to DG than TG for no valid reason, so contrary to effective competition and cost reflectivity.
WACM12	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

WACM13	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM14	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM15	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM16	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

WACM17	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.
WACM18	-	-	-	-	N	Grandfathering of TNUoS is contrary to cost reflectivity and effective competition as it treats parties having the same effect on the transmission network in a materially different way. Also adds administrative complexity versus solutions that treat all DG equivalently.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM1	Performs best against the relevant objectives. Broadly creates equivalence in TNUoS charging between new DG, existing DG and TG so significant benefits to cost

		<p>reflectivity and effective competition. Avoids linking EG TNUoS to the Capacity Market, which is arbitrary and unnecessary. Preferred implementation date of April 2020 respects the CM price commitment cycle. Relatively simple to implement compared with other WACMs and decent lead time allowed for system/process changes.</p>
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Andy Pace						
Original	No	No	No	Neutral	Neutral	N	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>It will distort competition between transmission and distribution connected generation by providing transmission connected generation with a lower cost base when bidding into future capacity markets and competing in the wholesale market due to the interaction with the connection policy which is shallower at transmission than distribution.</li> <li>Introduces a substantial differential between existing and new plant in triad benefit and there is no end date for grandfathering arrangements.</li> <li>Creates a substantial difference between new merchant generation and behind the meter generation.</li> <li>Potentially leads to short term security of supply issues if new plant that has won capacity market contracts but is not commissioned by June 2017 is forced to withdraw.</li> </ul> <p>Charging objective B</p> <ul style="list-style-type: none"> <li>Triad benefit for new plant will be set at a level which is substantially below the cost avoided by transmission companies as a result of</li> </ul>

							<p>embedded generation which will distort the capacity market in favour of transmission connected generation. This is based on Cornwall Energy's analysis of future transmission infrastructure costs (range of £18.5/kW and £32.3/kW), which have been used to benchmark the locational element of the triad charge (max of £7.92/kW over next five years in any area).</p> <p>Charging objective C</p> <ul style="list-style-type: none"> <li>Does not address the issue of increasing triad for existing plant which will not reflect the avoided cost of embedded generation and result in excessive costs for consumers</li> </ul>
WACM1	No	No	No	Neutral	Neutral	N	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>It will distort competition between transmission and distribution connected generation by providing transmission connected generation with a lower cost base when bidding into future capacity markets and competing in the wholesale market due to the interaction with the connection policy which is shallower at transmission than distribution. The application of the negative generation residual would mitigate this slightly, but not fully address the issue which requires further analysis.</li> <li>Creates a substantial difference between new merchant generation and behind the meter generation.</li> <li>Potentially leads to short term security of supply issues if new plant that has won capacity market contracts based on the assumption of higher triads is forced to withdraw.</li> </ul> <p>Charging objective B</p> <ul style="list-style-type: none"> <li>Triad benefit for plant will be set at a level which is substantially below the cost avoided by transmission companies as a result of embedded generation which will distort the capacity market in favour of transmission connected generation. This is based on Cornwall Energy's analysis of future transmission infrastructure costs (range of £18.5/kW and £32.3/kW), which have been used to benchmark the</li> </ul>

							<p>locational element of the triad charge (max of £7.92/kW over next five years in any area).</p> <p>Charging objective C</p> <ul style="list-style-type: none"> <li>The WACM does not address the issue of increasing transmission infrastructure costs and how that translates into a benefit for embedded generation. The use of the generation residual removes one element of distortion, but the removal of the residual introduces another area of distortion as mentioned under charging objective B.</li> </ul>
WACM2	No	No	No	Neutral	Neutral	N	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>It will distort competition between transmission and distribution connected generation by providing transmission connected generation with a lower cost base when bidding into future capacity markets and competing in the wholesale market due to the interaction with the connection policy which is shallower at transmission than distribution. The application of the negative generation residual would mitigate this slightly, but not fully address the issue which requires further analysis.</li> <li>Creates a substantial difference between new merchant generation and behind the meter generation.</li> <li>Potentially leads to short term security of supply issues if new plant that has won capacity market contracts based on the assumption of higher triads is forced to withdraw.</li> </ul> <p>Charging objective B</p> <ul style="list-style-type: none"> <li>Triad benefit for plant will be set at a level which is substantially below the cost avoided by transmission companies as a result of embedded generation which will distort the capacity market in favour of transmission connected generation. This is based on Cornwall Energy's analysis of future transmission infrastructure costs (range of £18.5/kW and £32.3/kW), which have been used to benchmark the locational element of the triad charge (max of £7.92/kW over next five years in any area).</li> </ul>

							<p>Charging objective C</p> <ul style="list-style-type: none"> <li>The WACM does not address the issue of increasing transmission infrastructure costs and how that translates into a benefit for embedded generation. The use of the generation residual removes one element of distortion, but the removal of the residual introduces another area of distortion as mentioned under charging objective B.</li> </ul>
WACM3	No	No	No	Neutral	Neutral	N	As above
WACM4	No	No	No	Neutral	Neutral	N	As above
WACM5	No	No	No	Neutral	Neutral	N	As above
WACM6	Yes	Yes	Yes	Neutral	Neutral	Y	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>It will be an improvement on the baseline as it sets the avoided cost of embedded generation at a more cost reflective level.</li> <li>Creates a difference between new merchant generation and behind the meter generation but the benefit of more cost reflective charges will outweigh this.</li> <li>Potentially addresses short term security of supply issues by providing a smaller level of triad to new plant that won capacity market contracts based on the assumption of higher triads.</li> </ul> <p>Charging objective B</p> <ul style="list-style-type: none"> <li>Triad benefit for new plant will be set at a level which is more reflective of the cost avoided by transmission companies as a result of embedded generation. This is based on Cornwall Energy's analysis of future transmission infrastructure costs (range of £18.5/kW and £32.3/kW).</li> <li>Residual charge will not rise in an exponential manner</li> </ul>

							<p>Charging objective C</p> <ul style="list-style-type: none"> <li>The WACM addresses the issue of increasing transmission infrastructure costs and how that translates into a benefit for embedded generation.</li> </ul>
WACM7	Yes	Yes	Yes	Neutral	Neutral	Y	As above
WACM8	Yes	Yes	Yes	Neutral	Neutral	Y	As above
WACM9	Yes	Yes	Yes	Neutral	Neutral	Y	As above
WACM10	Yes	Yes	Yes	Neutral	Neutral	Y	As above
WACM11	Yes	Yes	Yes	Neutral	Neutral	Y	As above
WACM12	No	No	No	Neutral	Neutral	N	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>It will distort competition between transmission and non-grandfathered distribution connected generation by providing transmission connected generation with a lower cost base when bidding into future capacity markets and competing in the wholesale market due to the interaction with the connection policy which is shallower at transmission than distribution. The application of the negative generation residual would mitigate this slightly, but not fully address the issue which requires further analysis.</li> <li>Differentiates between existing plant and those that won a contract in the 2014 or 2015 capacity market and CfD markets.</li> </ul>

							<ul style="list-style-type: none"> <li>Creates a substantial difference between non-grandfathered generation and behind the meter generation.</li> <li>Provides some short term security of supply for plant that has won capacity market contracts based on the assumption of higher triads.</li> </ul> <p>Charging objective B</p> <ul style="list-style-type: none"> <li>Triad benefit for non-grandfathered plant will be set at a level which is substantially below the cost avoided by transmission companies as a result of embedded generation which will distort the capacity market in favour of transmission connected generation. This is based on Cornwall Energy's analysis of future transmission infrastructure costs (range of £18.5/kW and £32.3/kW), which have been used to benchmark the locational element of the triad charge (max of £7.92/kW over next five years in any area).</li> </ul> <p>Charging objective C</p> <ul style="list-style-type: none"> <li>The WACM does not address the issue of increasing transmission infrastructure costs and how that translates into a benefit for embedded generation. The use of the generation residual removes one element of distortion, but the removal of the residual introduces another area of distortion as mentioned under charging objective B.</li> </ul>
WACM13	No	No	No	Neutral	Neutral	N	As above
WACM14	No	No	No	Neutral	Neutral	N	As above
WACM15	No	No	No	Neutral	Neutral	N	As above
WACM16	Yes	Yes	Yes	Neutral	Neutral	Y	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>It will be an improvement on the baseline as it sets the avoided cost of embedded generation at a more cost reflective level.</li> </ul>

							<ul style="list-style-type: none"> <li>Creates a difference between new merchant generation and behind the meter generation but the benefit of more cost reflective charges will outweigh this.</li> <li>Potentially addresses short term security of supply issues by providing a protected level of triad to new plant that won capacity market contracts based on the assumption of higher triads.</li> </ul> <p>Charging objective B</p> <ul style="list-style-type: none"> <li>Triad benefit for new plant will be set at a level which is more reflective of the cost avoided by transmission companies as a result of embedded generation. This is based on Cornwall Energy's analysis of future transmission infrastructure costs (range of £18.5/kW and £32.3/kW).</li> <li>Residual charge will not rise in an exponential manner</li> </ul> <p>Charging objective C</p> <ul style="list-style-type: none"> <li>The WACM addresses the issue of increasing transmission infrastructure costs and how that translates into a benefit for embedded generation.</li> </ul>
WACM17	Yes	Yes	Yes	Neutral	Neutral	Y	As above
WACM18	Yes	Yes	Yes	Neutral	Neutral	Y	As above
WACM19	No	No	No	Neutral	Neutral	N	Same rationale as original
WACM20	Yes	Yes	Yes	Neutral	Neutral	Y	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>It will be an improvement on the baseline as it sets the avoided cost of embedded generation at a more cost reflective level in the short term.</li> <li>Creates a difference between new merchant generation and behind</li> </ul>

							<p>the meter generation but the benefit of more cost reflective charges will outweigh this.</p> <ul style="list-style-type: none"> <li>• Potentially addresses short term security of supply issues by providing a smaller level of triad to new plant that won capacity market contracts based on the assumption of higher triads.</li> <li>• After 5 years the future level of triad will be set at the generation residual which will potentially be low but will be more cost reflective than the baseline as the demand residual is forecast to rise.</li> </ul> <p>Charging objective B</p> <ul style="list-style-type: none"> <li>• Triad benefit for new plant will be set at a level which is more reflective of the cost avoided by transmission companies as a result of embedded generation. This is based on Cornwall Energy's analysis of future transmission infrastructure costs (range of £18.5/kW and £32.3/kW).</li> <li>• Residual charge will not rise in an exponential manner</li> </ul> <p>Charging objective C</p> <ul style="list-style-type: none"> <li>• The WACM addresses the issue of increasing transmission infrastructure costs and how that translates into a benefit for embedded generation.</li> </ul>
WACM21	Yes	Yes	Yes	Neutral	Neutral	Y	Same rationale as WACM 6
WACM22	No	No	No	Neutral	Neutral	N	Same rationale as original
WACM23	Yes	Yes	Yes	Neutral	Neutral	Y	Same rationale as WACM 9

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	<b>Andy Pace</b>						
Original	Neutral	Neutral	Neutral	Neutral	Neutral	N/A	
WACM1	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• Adds the generation residual to the residual for embedded generation which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>• Removes uncapped grandfathering without an end date</li> </ul>
WACM2	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• As above but also adds phasing</li> </ul>
WACM3	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• Adds the avoided infrastructure cost which reduces the distortion in competition in the capacity market when compared to the</li> </ul>

							<ul style="list-style-type: none"> <li>original.</li> <li>Removes uncapped grandfathering without an end date</li> </ul>
WACM4	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>As above but also adds phasing</li> </ul>
WACM5	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>Adds the generation residual and infrastructure credit to the residual for embedded generation which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>Removes uncapped grandfathering without an end date</li> <li>Adds phasing</li> </ul>
WACM6	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>Adds the minimum of the locational charge which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>Removes uncapped grandfathering without an end date</li> </ul>
WACM7	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>As above but also adds phasing</li> </ul>
WACM8	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>Caps the residual for all embedded generation at a more cost reflective level which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>Removes uncapped grandfathering without an end date</li> </ul>
WACM9	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>Caps the residual for all embedded generation at a more cost reflective level which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>Rate falls in 2019 to a more cost reflective level.</li> <li>Removes uncapped grandfathering without an end date</li> </ul>

WACM10	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• Caps the residual for all embedded generation at a more cost reflective level which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>• Removes uncapped grandfathering without an end date</li> </ul>
WACM11	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• Removes the offshore transmission revenue from the residual for embedded generation which reduces the distortion in competition in the capacity market when compared to the residual.</li> <li>• Removes uncapped grandfathering without an end date</li> </ul>
WACM12	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• As WACM 1 plus grandfathering at a more realistic rate.</li> </ul>
WACM13	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• As WACM 3 plus grandfathering at a more realistic rate.</li> </ul>
WACM14	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• As WACM 5 plus grandfathering at a more realistic rate.</li> </ul>
WACM15	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• As WACM 6 plus grandfathering at a more realistic rate.</li> </ul>
WACM16	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• As WACM 9 plus grandfathering at a more realistic rate.</li> </ul>
WACM17	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• As WACM 8 plus grandfathering at a more realistic rate.</li> </ul>
WACM18	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• As WACM 11 plus grandfathering at a more realistic rate.</li> </ul>

WACM19	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>As original plus more power stations eligible for grandfathering.</li> </ul>
WACM20	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>Adds a more cost reflective value to the residual for embedded generation which reduces the distortion in competition in the capacity market when compared to the residual.</li> <li>Removes uncapped grandfathering without an end date</li> </ul>
WACM21	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>As WACM 6 plus grandfathering at a more realistic rate.</li> </ul>
WACM22	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>As original plus more power stations eligible for grandfathering.</li> </ul>
WACM23	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>As WACM 9 plus grandfathering at a more realistic rate.</li> </ul>

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
<p><b>Andy Pace</b></p>	<p>WACM 9</p>	<p>This is the preferred option as it sets the level of the demand residual to be used for embedded generation at a level that provides a reasonable level of compensation to existing and new plant while allowing for a more thorough review of embedded benefits to take place, particularly in the area of connection charges and the calculation of the locational charge.</p>

Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Andy Pace						
Original	No	No	No	Neutral	Neutral	N	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>This proposal would not benefit competition as embedded generation would bid into the capacity market based on their expectation of future triad charges which are not considered to be cost reflective.</li> </ul> <p>Charging objective B and C</p> <ul style="list-style-type: none"> <li>Does not address the issue of increasing triad for grandfathered plant whose triad will continue to increase at a potentially exponential rate and will not reflect the avoided cost of embedded generation. This will result in excessive costs for consumers</li> </ul>
WACM1	No	No	No	Neutral	Neutral	N	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>It will distort competition between transmission and distribution connected generation by providing transmission connected generation with a lower cost base when bidding into future capacity markets and competing in the wholesale market due to</li> </ul>

							<p>the interaction with the connection policy which is shallower at transmission than distribution. The application of the negative generation residual would mitigate this slightly, but not fully address the issue which requires further analysis.</p> <ul style="list-style-type: none"> <li>• Creates a substantial difference between new merchant generation and behind the meter generation.</li> <li>• Potentially leads to short term security of supply issues if new plant that has won capacity market contracts based on the assumption of higher triads is forced to withdraw.</li> </ul> <p>Charging objective B</p> <ul style="list-style-type: none"> <li>• Triad benefit for plant will be set at a level which is substantially below the cost avoided by transmission companies as a result of embedded generation which will distort the capacity market in favour of transmission connected generation. This is based on Cornwall Energy's analysis of future transmission infrastructure costs (range of £18.5/kW and £32.3/kW), which have been used to benchmark the locational element of the triad charge (max of £7.92/kW over next five years in any area).</li> </ul> <p>Charging objective C</p> <ul style="list-style-type: none"> <li>• The WACM does not address the issue of increasing transmission infrastructure costs and how that translates into a benefit for embedded generation. The use of the generation residual removes one element of distortion, but the removal of the residual introduces another area of distortion as mentioned under charging objective B.</li> </ul>
WACM2	No	No	No	Neutral	Neutral	N	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>• It will distort competition between transmission and distribution connected generation by providing transmission connected generation with a lower cost base when bidding into future capacity markets and competing in the wholesale market due to the interaction with the connection policy which is shallower at</li> </ul>

							<p>transmission than distribution. The application of the negative generation residual would mitigate this slightly, but not fully address the issue which requires further analysis.</p> <ul style="list-style-type: none"> <li>• Creates a substantial difference between new merchant generation and behind the meter generation.</li> <li>• Potentially leads to short term security of supply issues if new plant that has won capacity market contracts based on the assumption of higher triads is forced to withdraw.</li> </ul> <p>Charging objective B</p> <ul style="list-style-type: none"> <li>• Triad benefit for plant will be set at a level which is substantially below the cost avoided by transmission companies as a result of embedded generation which will distort the capacity market in favour of transmission connected generation. This is based on Cornwall Energy's analysis of future transmission infrastructure costs (range of £18.5/kW and £32.3/kW), which have been used to benchmark the locational element of the triad charge (max of £7.92/kW over next five years in any area).</li> </ul> <p>Charging objective C</p> <ul style="list-style-type: none"> <li>• The WACM does not address the issue of increasing transmission infrastructure costs and how that translates into a benefit for embedded generation. The use of the generation residual removes one element of distortion, but the removal of the residual introduces another area of distortion as mentioned under charging objective B.</li> </ul>
WACM3	No	No	No	Neutral	Neutral	N	As above
WACM4	No	No	No	Neutral	Neutral	N	As above

WACM5	No	No	No	Neutral	Neutral	N	As above
WACM6	Yes	Yes	Yes	Neutral	Neutral	Y	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>• It will be an improvement on the baseline as it sets the avoided cost of embedded generation at a more cost reflective level.</li> <li>• Creates a difference between new merchant generation and behind the meter generation but the benefit of more cost reflective charges will outweigh this.</li> <li>• Potentially addresses short term security of supply issues by providing a smaller level of triad to new plant that won capacity market contracts based on the assumption of higher triads.</li> </ul> <p>Charging objective B</p> <ul style="list-style-type: none"> <li>• Triad benefit for new plant will be set at a level which is more reflective of the cost avoided by transmission companies as a result of embedded generation. This is based on Cornwall Energy's analysis of future transmission infrastructure costs (range of £18.5/kW and £32.3/kW).</li> <li>• Residual charge will not rise in an exponential manner</li> </ul> <p>Charging objective C</p> <ul style="list-style-type: none"> <li>• The WACM addresses the issue of increasing transmission infrastructure costs and how that translates into a benefit for embedded generation.</li> </ul>
WACM7	Yes	Yes	Yes	Neutral	Neutral	Y	As above
WACM8	Yes	Yes	Yes	Neutral	Neutral	Y	As above

WACM9	Yes	Yes	Yes	Neutral	Neutral	Y	As above
WACM10	Yes	Yes	Yes	Neutral	Neutral	Y	As above
WACM11	Yes	Yes	Yes	Neutral	Neutral	Y	As above
WACM12	No	No	No	Neutral	Neutral	N	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>• It will distort competition between transmission and non-grandfathered distribution connected generation by providing transmission connected generation with a lower cost base when bidding into future capacity markets and competing in the wholesale market due to the interaction with the connection policy which is shallower at transmission than distribution. The application of the negative generation residual would mitigate this slightly, but not fully address the issue which requires further analysis.</li> <li>• Differentiates between existing plant and those that won a contract in the 2014 or 2015 capacity market and CfD markets.</li> <li>• Creates a substantial difference between non-grandfathered generation and behind the meter generation.</li> <li>• Provides some short term security of supply for plant that has won capacity market contracts based on the assumption of higher triads.</li> </ul> <p>Charging objective B</p> <ul style="list-style-type: none"> <li>• Triad benefit for non-grandfathered plant will be set at a level which is substantially below the cost avoided by transmission companies as a result of embedded generation which will distort the capacity market in favour of transmission connected generation. This is based on Cornwall Energy's analysis of future</li> </ul>

							<p>transmission infrastructure costs (range of £18.5/kW and £32.3/kW), which have been used to benchmark the locational element of the triad charge (max of £7.92/kW over next five years in any area).</p> <p>Charging objective C</p> <ul style="list-style-type: none"> <li>The WACM does not address the issue of increasing transmission infrastructure costs and how that translates into a benefit for embedded generation. The use of the generation residual removes one element of distortion, but the removal of the residual introduces another area of distortion as mentioned under charging objective B.</li> </ul>
WACM13	No	No	No	Neutral	Neutral	N	As above
WACM14	No	No	No	Neutral	Neutral	N	As above
WACM15	No	No	No	Neutral	Neutral	N	As above
WACM16	Yes	Yes	Yes	Neutral	Neutral	Y	<p>Charging objective A</p> <ul style="list-style-type: none"> <li>It will be an improvement on the baseline as it sets the avoided cost of embedded generation at a more cost reflective level.</li> <li>Creates a difference between new merchant generation and behind the meter generation but the benefit of more cost reflective charges will outweigh this.</li> <li>Potentially addresses short term security of supply issues by providing a protected level of triad to new plant that won capacity market contracts based on the assumption of higher triads.</li> </ul> <p>Charging objective B</p>

							<ul style="list-style-type: none"> <li>• Triad benefit for new plant will be set at a level which is more reflective of the cost avoided by transmission companies as a result of embedded generation. This is based on Cornwall Energy's analysis of future transmission infrastructure costs (range of £18.5/kW and £32.3/kW).</li> <li>• Residual charge will not rise in an exponential manner</li> </ul> <p>Charging objective C</p> <ul style="list-style-type: none"> <li>• The WACM addresses the issue of increasing transmission infrastructure costs and how that translates into a benefit for embedded generation.</li> </ul>
WACM17	Yes	Yes	Yes	Neutral	Neutral	Y	As above
WACM18	Yes	Yes	Yes	Neutral	Neutral	Y	As above

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Andy Pace						
Original	Neutral	Neutral	Neutral	Neutral	Neutral	N/A	
WACM1	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• Adds the generation residual to the residual for embedded generation which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>• Removes uncapped grandfathering without an end date</li> </ul>
WACM2	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• As above but also adds phasing</li> </ul>

WACM3	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• Adds the avoided infrastructure cost which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>• Removes uncapped grandfathering without an end date</li> </ul>
WACM4	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• As above but also adds phasing</li> </ul>
WACM5	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• Adds the generation residual and infrastructure credit to the residual for embedded generation which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>• Removes uncapped grandfathering without an end date</li> <li>• Adds phasing</li> </ul>
WACM6	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• Adds the minimum of the locational charge which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>• Removes uncapped grandfathering without an end date</li> </ul>
WACM7	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• As above but also adds phasing</li> </ul>
WACM8	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• Caps the residual for all embedded generation at a more cost reflective level which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>• Removes uncapped grandfathering without an end date</li> </ul>
WACM9	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>• Caps the residual for all embedded generation at a more cost reflective level which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>• Rate falls in 2019 to a more cost reflective level.</li> </ul>

							<ul style="list-style-type: none"> <li>Removes uncapped grandfathering without an end date</li> </ul>
WACM10	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>Caps the residual for all embedded generation at a more cost reflective level which reduces the distortion in competition in the capacity market when compared to the original.</li> <li>Removes uncapped grandfathering without an end date</li> </ul>
WACM11	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>Removes the offshore transmission revenue from the residual for embedded generation which reduces the distortion in competition in the capacity market when compared to the residual.</li> <li>Removes uncapped grandfathering without an end date</li> </ul>
WACM12	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>As WACM 1 plus grandfathering at a more realistic rate.</li> </ul>
WACM13	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>As WACM 3 plus grandfathering at a more realistic rate.</li> </ul>
WACM14	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>As WACM 5 plus grandfathering at a more realistic rate.</li> </ul>
WACM15	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>As WACM 6 plus grandfathering at a more realistic rate.</li> </ul>
WACM16	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>As WACM 9 plus grandfathering at a more realistic rate.</li> </ul>
WACM17	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"> <li>As WACM 8 plus grandfathering at a more realistic rate.</li> </ul>

WACM18	Yes	Yes	Yes	Neutral	Neutral	Y	<ul style="list-style-type: none"><li>• As WACM 11 plus grandfathering at a more realistic rate.</li></ul>
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**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
<p><b>Andy Pace</b></p>	<p>WACM 9</p>	<p>This is the preferred option as it sets the level of the demand residual to be used for embedded generation at a level that provides a reasonable level of compensation to existing and new plant while allowing for a more thorough review of embedded benefits to take place, particularly in the area of connection charges and the calculation of the locational charge.</p>

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	<b>Andy Pace</b>					
Original	Neutral	No	Neutral	Neutral	N	<b>Neutral except for ACO (b). The rationale for the impact on competition is the same as CMP264</b>
WACM1	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM2	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM3	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM4	Neutral	No	Neutral	Neutral	N	<b>As above</b>

WACM5	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM6	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM7	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM8	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM9	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM10	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM11	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM12	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM13	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM14	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM15	Neutral	No	Neutral	Neutral	N	<b>As above</b>

WACM16	Neutral	Yes	Neutral	Neutral	Y	As above
WACM17	Neutral	Yes	Neutral	Neutral	Y	As above
WACM18	Neutral	Yes	Neutral	Neutral	Y	As above
WACM19	Neutral	No	Neutral	Neutral	N	As above
WACM20	Neutral	Yes	Neutral	Neutral	Y	As above
WACM21	Neutral	Yes	Neutral	Neutral	Y	As above
WACM22	Neutral	No	Neutral	Neutral	N	As above
WACM23	Neutral	Yes	Neutral	Neutral	Y	As above

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Andy Pace					
Original	Neutral	Neutral	Neutral	Neutral	N/A	Neutral except for ACO (b). The rationale for the impact on competition is the same as CMP264
WACM1	Neutral	Yes	Neutral	Neutral	Y	As above
WACM2	Neutral	Yes	Neutral	Neutral	Y	As above
WACM3	Neutral	Yes	Neutral	Neutral	Y	As above
WACM4	Neutral	Yes	Neutral	Neutral	Y	As above
WACM5	Neutral	Yes	Neutral	Neutral	Y	As above
WACM6	Neutral	Yes	Neutral	Neutral	Y	As above
WACM7	Neutral	Yes	Neutral	Neutral	Y	As above

WACM8	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM9	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM10	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM11	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM12	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM13	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM14	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM15	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM16	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM17	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM18	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>

WACM19	Neutral	Yes	Neutral	Neutral	Y	As above
WACM20	Neutral	Yes	Neutral	Neutral	Y	As above
WACM21	Neutral	Yes	Neutral	Neutral	Y	As above
WACM22	Neutral	Yes	Neutral	Neutral	Y	As above
WACM23	Neutral	Yes	Neutral	Neutral	Y	As above

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM 9	This is the preferred option as it sets the level of the demand residual to be used for embedded generation at a level that provides a reasonable level of compensation to existing and new plant while allowing for a more thorough review of embedded benefits to take place,

		particularly in the area of connection charges and the calculation of the locational charge.
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Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
<b>Andy Pace</b>						
Original	Neutral	No	Neutral	Neutral	N	<b>Neutral except for ACO (b). The rationale for the impact on competition is the same as CMP265</b>
WACM1	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM2	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM3	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM4	Neutral	No	Neutral	Neutral	N	<b>As above</b>

WACM5	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM6	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM7	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM8	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM9	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM10	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM11	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM12	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM13	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM14	Neutral	No	Neutral	Neutral	N	<b>As above</b>
WACM15	Neutral	No	Neutral	Neutral	N	<b>As above</b>

WACM16	Neutral	Yes	Neutral	Neutral	Y	As above
WACM17	Neutral	Yes	Neutral	Neutral	Y	As above
WACM18	Neutral	Yes	Neutral	Neutral	Y	As above

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Andy Pace					
Original	Neutral	Neutral	Neutral	Neutral	N/A	Neutral except for ACO (b). The rationale for the impact on competition is the same as CMP265
WACM1	Neutral	Yes	Neutral	Neutral	Y	As above

WACM2	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM3	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM4	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM5	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM6	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM7	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM8	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM9	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM10	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM11	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>
WACM12	Neutral	Yes	Neutral	Neutral	Y	<b>As above</b>

WACM13	Neutral	Yes	Neutral	Neutral	Y	As above
WACM14	Neutral	Yes	Neutral	Neutral	Y	As above
WACM15	Neutral	Yes	Neutral	Neutral	Y	As above
WACM16	Neutral	Yes	Neutral	Neutral	Y	As above
WACM17	Neutral	Yes	Neutral	Neutral	Y	As above
WACM18	Neutral	Yes	Neutral	Neutral	Y	As above

### **Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

<b>Workgroup Member</b>	<b>BEST Option?</b>	<b>Rationale</b>
Andy Pace	WACM 9	This is the preferred option as it sets the level of the demand residual to be used for embedded generation at a level that provides a reasonable level of compensation to existing and new plant while allowing for a more thorough review of embedded benefits to take place, particularly in the area of connection charges and the

		calculation of the locational charge.
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Joe Underwood}						
Original	Yes	Yes	Yes	NA	NA	Yes	Better facilitates competition between TG and EG and reflects the true value of EBs.
WACM1 - Centrica B	Yes	Yes	Yes	NA	NA	Yes	Better than baseline in the short term but is reliant on generator residual which is not reflective of benefits EGs bring
WACM2 – NG C	Yes	Yes	Yes	NA	NA	Yes	As above but phasing makes it less desirable
WACM3 – Uniper A	Yes	Yes	Yes	NA	NA	Yes	A good approximation of the true benefit of embedded generation. Stable. Can be built upon.

WACM4 – SSA A	Yes	Yes	Yes	NA	NA	Yes	As above. Phasing makes it less desirable than WACM 3.
WACM5 – SSE B	Yes	Yes	Yes	NA	NA	Yes	As above. Phasing makes it less desirable than WACM 3. Both Gen Residual and avoided GSP investment make it less desirable than WACM 4 and 3.
WACM6 – NG A	Yes	Yes	Yes	NA	NA	Yes	A fair approx. of true value.
WACM7 – NG D	Yes	Yes	Yes	NA	NA	Yes	As above but phasing is less desirable.
WACM8 – ADE E	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM9 – Infinis A	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM10 – GF A	No	No	No	NA	NA	No	While it may halt the increase it does not address the fact that the value of EB is greatly too high now.

WACM11 – Eider A	No	No	No	NA	NA	No	Seems like a complex solution. Scope creep away from the defect.
WACM12 – UKPR F1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM13 – G1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM14 – H1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM15 – I1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM16 – J1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM17 – K1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM18 –	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB

L1							
WACM19 – SP B	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM20 – Alkane A	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM21 – Alkane B	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM22 – ADE C	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM23 – Infinis B	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Joe Underwood}						
Original	NA	NA	NA	NA		NA	NA
WACM1	Yes	Yes	Yes	NA		Yes	Given the evidence, the value of EB will be closer to the true value of the EB.
WACM2	No	No	No	NA		No	Phasing decreases the benefit
WACM3	Yes	Yes	Yes	NA		Yes	As WACM1
WACM4	No	No	No	NA		No	Phasing decreases the benefit
WACM5	No	No	No	NA		No	Phasing decreases the benefit

WACM6	Yes	Yes	Yes	NA		Yes	Given the evidence, the value of EB will be closer to the true value of the EB.
WACM7	No	No	No	NA		No	Phasing decreases the benefit
WACM8	No	No	No	NA		No	Further away from the true cost of EB than the original
WACM9	No	No	No	NA		No	Further away from the true cost of EB than the original
WACM10	No	No	No	NA		No	Further away from the true cost of EB than the original. Does not better facilitate the objectives.
WACM11	No	No	No	NA		No	Does not better facilitate the objectives.
WACM12	No	No	No	NA		No	Further away from the true cost of EB than the original. Grand fathering reduces the benefit
WACM13	No	No	No	NA		No	Further away from the true cost of EB than the original
WACM14	No	No	No	NA		No	Further away from the true cost of EB than the

							original
WACM15	No	No	No	NA		No	Further away from the true cost of EB than the original
WACM16	No	No	No	NA		No	Further away from the true cost of EB than the original
WACM17	No	No	No	NA		No	Further away from the true cost of EB than the original
WACM18	No	No	No	NA		No	Further away from the true cost of EB than the original
WACM19	No	No	No	NA		No	Further away from the true cost of EB than the original
WACM20	No	No	No	NA		No	Further away from the true cost of EB than the original
WACM21	No	No	No	NA		No	Further away from the true cost of EB than the original
WACM22	No	No	No	NA		No	Further away from the true cost of EB than the

							original
WACM23	No	No	No	NA		No	Further away from the true cost of EB than the original

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member {Joe Underwood}	WACM3 - Uniper A	From the evidence seen and the given time to review, I believe WACM3 best facilitates the ACOs. Locational and GSP reinforcement costs seems like the most reasonable approximation of the true value for EB. It will therefore better facilitate competition between TG and EG, it will reflect more accurately the true value of EBs and in doing so will reduce the distortion seen through the current

		<p>excessive EB.</p> <p>I would also like to note that the precedence set under CMP213, the notice for charging changes was one full charging year and therefore under the argument for grandfathering and phasing has not been made in this circumstance and will introduce undue discrimination between generators.</p>
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Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Joe Underwood}						
Original	Yes	Yes	Yes	NA	NA	Yes	Better facilitates competition between TG and EG and reflects the true value of EBs.
WACM1 – Centrica B	Yes	Yes	Yes	NA	NA	Yes	Better than baseline in the short term but is reliant on generator residual which is not reflective of benefits EGs bring
WACM2 – NG C	Yes	Yes	Yes	NA	NA	Yes	As above but phasing makes it less desirable
WACM3 – Uniper A	Yes	Yes	Yes	NA	NA	Yes	A good approximation of the true benefit of embedded generation. Stable. Can be built upon.

WACM4 – SSE A	Yes	Yes	Yes	NA	NA	Yes	As WACM1
WACM5 – SSE B	Yes	Yes	Yes	NA	NA	Yes	As WACM1
WACM6 – NG A	Yes	Yes	Yes	NA	NA	Yes	A fair approx. of true value.
WACM7 – NG D	Yes	Yes	Yes	NA	NA	Yes	As above but phasing is less desirable.
WACM8 – ADE E	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM9 – Infinis A	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM10 – GF A	No	No	No	No	NA	No	
WACM11 –	No	No	No	NA	NA	No	Seems like a complex solution. Scope creep away

Eider A							from the defect.
WACM12 – UKPR F1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM13 – G1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM14 – H1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM15 – I1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM16 – J1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM17 – K1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB
WACM18 – L1	Yes	Yes	Yes	NA	NA	Yes	Closer to true value of EB

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives  
against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	<b>Workgroup member {Joe Underwood}</b>						
Original	NA	NA	NA	NA		NA	NA
WACM1	Yes	Yes	Yes	NA		Yes	No grandfathering. Given the evidence, the value of EB will be closer to the true value of the EB.
WACM2	Yes	Yes	Yes	NA		Yes	As WACM1
WACM3	Yes	Yes	Yes	NA		Yes	As WACM1
WACM4	Yes	Yes	Yes	NA		Yes	As WACM1
WACM5	Yes	Yes	Yes	NA		Yes	As WACM1
WACM6	Yes	Yes	Yes	NA		Yes	As WACM1
WACM7	Yes	Yes	Yes	NA		Yes	As WACM1

WACM8	No	No	No	NA		No	Likely further away from the true value of EB than the Original
WACM9	No	No	No	NA		No	Likely the same or further away from the true value of EB than the Original
WACM10	No	No	No	NA		No	Likely further away from the true value of EB than the Original
WACM11	No	No	No	NA		No	Seems like a complex solution. Scope creep away from the defect. Likely further away from the true value of EB than the Original.
WACM12	No	No	No	NA		No	Likely further away from the true value of EB than the Original. Grandfathering reduces the benefits seen.
WACM13	No	No	No	NA		No	Likely further away from the true value of EB than the Original. Grandfathering reduces the benefits seen.
WACM14	No	No	No	NA		No	Likely further away from the true value of EB than the Original. Grandfathering reduces the benefits seen.
WACM15	No	No	No	NA		No	Likely further away from the true value of EB than the Original. Grandfathering reduces the benefits seen.

WACM16	No	No	No	NA		No	Likely further away from the true value of EB than the Original. Grandfathering reduces the benefits seen.
WACM17	No	No	No	NA		No	Likely further away from the true value of EB than the Original. Grandfathering reduces the benefits seen.
WACM18	No	No	No	NA		No	Likely further away from the true value of EB than the Original. Grandfathering reduces the benefits seen.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member {Insert name}</p>	<p>WACM3 – Uniper A</p>	<p>From the evidence seen and the given time to review, I believe WACM3 best facilitates the ACOs. Locational and GSP reinforcement costs seems like the most reasonable approximation of the true value for EB. It will therefore better facilitate competition between TG and EG, it will reflect more accurately the true value of EBs and in doing so will reduce the distortion seen through the current excessive EB.</p> <p>I would also like to note that the precedence set under CMP213, the notice for charging changes was one full charging year and therefore under the argument for grandfathering and phasing has not been made in this circumstance and will introduce undue discrimination between generators.</p>

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Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

**CMP269:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM1	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM2	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM3	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM4	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the

						approval of the respective CMP264 option.
WACM5	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM6	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM7	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM8	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM9	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM10	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM11	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline

WACM12	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM13	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM14	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM15	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM16	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM17	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM18	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM19	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.

WACM20	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM21	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM22	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM23	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					

Original	NA	NA	NA	NA	NA	NA
WACM1	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM2	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM3	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM4	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM5	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM6	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM7	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the

						baseline
WACM8	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM9	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM10	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM11	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM12	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM13	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline

WACM14	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM15	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM16	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM17	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM18	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM19	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM20	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the

						baseline
WACM21	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM22	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM23	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM3	Best CMP265 Option

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

**CMP269:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM1	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM2	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM3	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM4	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the

						approval of the respective CMP264 option.
WACM5	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM6	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM7	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM8	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM9	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM10	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM11	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline

WACM12	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM13	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM14	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM15	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM16	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM17	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM18	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original	NA	NA	NA	NA	NA	NA
WACM1	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM2	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM3	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM4	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.

WACM5	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM6	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM7	Yes	Yes	NA	Yes	Yes	Through approving this option it will allow the approval of the respective CMP264 option.
WACM8	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM9	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM10	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM11	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline

WACM12	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM13	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM14	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM15	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM16	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM17	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the baseline
WACM18	No	No	NA	No	No	The respective CMP264 option does not better facilitate the CUSC Objectives with respect to the

						baseline
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**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM3	Best CMP264 Option.

## CHANGE MADE TO TEXT ON “BEST”

Applicable CUSC Objectives

<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging

methodology
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CMP264:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

WACM	Better facilitates ACO (a) competition	Better facilitates ACO (b) cost-reflective	(c) properly takes account of the developments in...	Better facilitates ACO (d) "Europe"	Better facilitates ACO (e) efficiency ...administrati on ....	Overall (Y/N)	Rationale
Workgroup member Paul Mott							
Original	Yes	Yes	Yes	Neutral	Neutral	Yes	The modification would better facilitate competition between transmission-connected and embedded generators in the Capacity Market. It would remove an artificial distortion that does not reflect the costs of the transmission business and currently gives extra value to embedded generators, as there is no logic to netting-off the output of embedded generators from HH demand as far as the demand residual charge element is concerned. However, it addresses the distortion

							incompletely, as grandfathering is distortive and causes extra consumer costs.
WACM1	Yes	Yes	Yes	Neutral	Neutral	Yes	Centrica B does better facilitate the CUSC main and charging objectives, overall, assessed against the CMP264 (269) statement of defect. (this flooring comment applies to <u>all</u> CMP269 and CMP264 variants : I see no rationale for flooring, though, as the locational charge should just be put right if it is not cost-reflective ( <i>and if it is cost-reflective, why floor it, either on its own or in aggregate with something else ?</i> )). I understand Centrica's reasoning for generation residual.
WACM2	No	No	No	Neutral	Neutral	No	NG C Phasing defers consumer benefit to such a degree that the mod is not beneficial overall assessed against the CMP264 (269) statement of defect
WACM3	Yes	Yes	Yes	Neutral	Neutral	Yes	Uniper A uses grid's figure of [£1.62] for true benefit. Lacking phasing or grandfathering, giving good benefit
WACM4	No	No	No	Neutral	Neutral	No	SSE A Phasing defers consumer benefit to such a degree that the mod is not beneficial overall assessed against the CMP264 statement of defect
WACM5	No	No	No	Neutral	Neutral	No	SSE B Phasing defers consumer benefit to such a degree that the mod is not beneficial overall assessed against the statement of defect
WACM6	No	No	No	Neutral	Neutral	No	NG A I can see no justification for using the lowest locational value in this

							manner – creates an arbitrary ongoing distortion, removes consumer benefit
WACM7	No	No	No	Neutral	Neutral	No	NG D Comments for WACM6 and WACM 4 apply
WACM8	No	No	No	Neutral	Neutral	No	ADE E : The figure is not justified, and removes consumer benefits
WACM9	No	No	No	Neutral	Neutral	No	Infinis A : The figures used are not justified, and remove consumer benefits.
WACM10	No	No	No	Neutral	Neutral	No	Green Frog A : The figure used is not justified, and removes consumer benefits.
WACM11	No	No	No	Neutral	Neutral	No	Eider A : The grandfathering removes consumer benefits, and the statement of defect isn't about allocation of offshore costs (269 is rooted in 264)
WACM12	No	No	No	Neutral	Neutral	No	UKPR F1 : there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition

WACM13	No	No	No	Neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition
WACM14	No	No	No	Neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition
WACM15	No	No	No	Neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition
WACM16	No	No	No	Neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition
WACM17	No	No	No	Neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition
WACM18	No	No	No	Neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition
WACM19	No	No	No	Neutral	Neutral	No	SP B : better than CMP264/269 original as the grandfathering is less

							material
WACM20	No	No	No	Neutral	Neutral	No	Alkane A : include too much grandfathering re : time (2018) and re materiality (grandfathering delays consumer benefit); even AG keeps a lot of benefit, and that £27/kW is arbitrary.
WACM21	No	No	No	Neutral	Neutral	No	Alkane B : Too much grandfathering (2018) and too much grandfathering (materiality; even AG keeps a lot, and that lowest locational value seems unjustified
WACM22	No	No	No	Neutral	Neutral	No	ADE C : Too much grandfathering (2019) and too much grandfathering (materiality; even AG keeps a lot
WACM23	No	No	No	Neutral	Neutral	No	Infinis B : the materiality of the grandfathering is distortive and increases consumer costs.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

WACM	Better facilitates ACO (b) cost-reflective	(c) properly takes account of the developments in...	Better facilitates ACO (d) "Europe"	Better facilitates ACO (e) efficiency ...administration ....	Overall (Y/N)	Overall (Y/N)	Rationale
Workgroup member Paul Mott							
Original	This is the original. So same	This is the original. So same	This is the original. So same	This is the original. So same	This is the original. So same	This is the original. So same	This is the original. So same.
WACM1	Yes	Yes	Yes	Neutral	Neutral	Yes	Centrica B does <u>better than CMP264/269 original</u> , facilitate the CUSC main and charging objectives, overall, assessed against the CMP264 (269) statement of defect. (this flooring comment applies to <u>all</u> CMP269 and CMP264 variants : I see no rationale for flooring, though, as the locational charge should just be put right if it is not cost-reflective ( <i>and if it is cost-reflective, why floor it, either on its own or in aggregate with something else ?</i> )). I understand Centrica's reasoning for generation residual.

WACM2	No	No	No	Neutral	Neutral	No	NG C Phasing defers consumer benefit to such a degree that the mod is not beneficial overall assessed against the CMP264 (269) statement of defect, and certainly, for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM3	Yes	Yes	Yes	Neutral	Neutral	Yes	Uniper A uses grid's figure of [£1.62] for true benefit. Lacking phasing or grandfathering, giving good benefit – better, for the purpose of this row, <u>than CMP264/269 original</u>
WACM4	No	No	No	Neutral	Neutral	No	SSE A Phasing defers consumer benefit to such a degree that the mod is not beneficial overall assessed against the CMP264 statement of defect, and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM5	No	No	No	Neutral	Neutral	No	SSE B Phasing defers consumer benefit to such a degree that the mod is not beneficial overall assessed against the statement of defect and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM6	No	No	No	Neutral	Neutral	No	NG A I can see no justification for using the lowest locational value in this manner – creates an arbitrary ongoing distortion, removes consumer benefit; and for the purpose of this row, <u>not better than CMP264/269 original</u>

WACM7	No	No	No	Neutral	Neutral	No	NG D Comments for WACM6 and WACM 4 apply and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM8	No	No	No	Neutral	Neutral	No	ADE E : The figure is not justified, and removes consumer benefits and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM9	No	No	No	Neutral	Neutral	No	Infinis A : The figures used are not justified, and remove consumer benefits. and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM10	No	No	No	Neutral	Neutral	No	Green Frog A : The figure used is not justified, and removes consumer benefits. and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM11	No	No	No	Neutral	Neutral	No	Eider A : The grandfathering removes consumer benefits, and the statement of defect isn't about allocation of offshore costs (269 is rooted in 264) and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM12	No	No	No	Neutral	Neutral	No	UKPR F1 : there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant

							delays consumer benefits and defers fairer competition and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM13	No	No	No	Neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM14	No	No	No	Neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM15	No	No	No	Neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM16	No	No	No	Neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM17	No	No	No	Neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays

							consumer benefits and defers fairer competition; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM18	No	No	No	Neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM19	Yes	Yes	Yes	Neutral	Neutral	Yes	SP B : better than CMP264/269 original as the grandfathering is less material
WACM20	No	No	No	Neutral	Neutral	No	Alkane A : include too much grandfathering re : time (2018) and re : materiality (grandfathering delays consumer benefit); even AG keeps a lot of benefit, and that £27/kW is arbitrary; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM21	No	No	No	Neutral	Neutral	No	Alkane B : Too much grandfathering (2018) and too much grandfathering (materiality; even AG keeps a lot, and that lowest locational value seems unjustified; for the purpose of this row, <u>not better than CMP264/269 original</u>

WACM22	No	No	No	Neutral	Neutral	No	ADE C : Too much grandfathering (2019; although in another sense re : multiyear new build, less grandfathering than CMP264 original; however, overall, more grandfathering than CMP264 original); I note that it does have a lower grandfathering materiality than CMP264 original, but 2019 is a late deadline and gives a lot of grandfathering as a set of plant
WACM23	No	No	No	Neutral	Neutral	No	Infinis B : the grandfathering including the value of "X" for affected plant is distortive and increases consumer costs, is worse than CMP264 original.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member Paul Mott	WACM 3 (uniper A)	Uniper A uses grid's figure for avoided GSP cost for the true benefit "X". Lacking phasing or grandfathering, giving good benefit – best overall – and the lack of grandfathering also slightly eases administration/implementation of this option. I see no rationale for flooring, though, as the locational charge and how it is applied, is supposed to be cost-reflective and its application should just be put right if it were established to be not cost-reflective.

## CHANGE MADE TO TEXT ON “BEST”

Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP265:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a) competition	Better facilitates ACO (b) cost-reflective	(c) properly takes account of the developments in...	Better facilitates ACO (d) "Europe"	Better facilitates ACO (e) efficiency ...administration ...	Overall (Y/N)	Rationale
	Workgroup member Paul Mott						
Original	Yes	Yes	Yes	Neutral	Neutral	Yes	Statement of defect of CMP265 is to address a distortion in the CM that can adversely affect competition in baseline. This mod does exactly that. Against its own statement of defect, it is excellent. The present arrangements are not cost-reflective as there is no logic to netting-off the output of embedded generators from HH demand as far as the demand residual charge element is concerned. As to developments in transmission licensees' transmission businesses – there has been a marked

							growth in the amount of embedded generation impacting the ways the system is developed and operated – this distortion may have been a contributory factor to that
WACM1	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM2	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM3	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM4	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective

WACM5	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM6	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM7	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM8	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM9	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective

WACM10	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM11	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM12	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM13	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM14	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective

WACM15	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM16	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM17	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM18	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a) competition	Better facilitates ACO (b) cost-reflective	(c) properly takes account of the developments in...	Better facilitates ACO (d) "Europe"	Better facilitates ACO (e) efficiency ...administrati on ....	Overall (Y/N)	Rationale
	Workgroup member Paul Mott						
Original	Yes	Yes	Yes	Neutral	Neutral	Yes	

WACM1	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM2	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM3	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM4	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM5	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects

							other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM6	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM7	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM8	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM9	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original

							original
WACM10	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM11	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM12	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM13	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original

WACM14	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM15	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM16	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM17	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
WACM18	No	No	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects

							other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP265 original
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**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member Paul Mott	CMP265 Original	Statement of defect of CMP265 is to address a distortion in the CM. This mod does exactly that, none of the WACMs does as they all affect other plant too, thus less accurately meeting the statement of defect. Against its own statement of defect, it is excellent

## CHANGE MADE TO TEXT ON “BEST”

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

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**CMP269: (264)**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

WACM	Better facilitates ACO (a) obligations	Better facilitates ACO (b)? competition	Better facilitates ACO (c)? ACER	Better facilitates ACO (d)? administration	Overall (Y/N)	Rationale
Paul Mott						
Original CMP269 (CMP264 sister mod)	Neutral	yes	neutral	neutral	yes	The modification would better facilitate competition between transmission-connected and embedded generators in the Capacity Market. It would remove an artificial distortion that does not reflect the costs of the transmission business and currently gives extra value to embedded generators, as there is no logic to netting-off the output of embedded generators from HH demand as far as the demand residual charge element is concerned. However, it addresses the distortion incompletely, as grandfathering is distortive and

						causes extra consumer costs.
WACM1	Neutral	Yes	neutral	neutral	yes	Centrica B does better facilitate the CUSC main and charging objectives, overall, assessed against the CMP264 (269) statement of defect. (this flooring comment applies to <u>all</u> CMP269 and CMP264 variants : I see no rationale for flooring, though, as the locational charge should just be put right if it is not cost-reflective ( <i>and if it is cost-reflective, why floor it, either on its own or in aggregate with something else ?</i> )). I understand Centrica's reasoning for generation residual.
WACM2	Neutral	No	neutral	neutral	No	NG C Phasing defers consumer benefit to such a degree that the mod is not beneficial overall assessed against the statement of defect
WACM3	Neutral	Yes	neutral	neutral	Yes	Uniper A uses grid's figure of [£1.62] for true benefit. Lacking phasing or grandfathering, giving good benefit
WACM4	Neutral	No	neutral	neutral	No	SSE A Phasing defers consumer benefit to such a degree that the mod is not beneficial overall assessed against the statement of defect

WACM5	Neutral	No	neutral	neutral	No	SSE B Phasing defers consumer benefit to such a degree that the mod is not beneficial overall assessed against the statement of defect
WACM6	Neutral	No	neutral	neutral	No	NG A I can see no justification for using the lowest locational value in this manner – creates an arbitrary ongoing distortion, removes consumer benefit
WACM7	Neutral	No	neutral	neutral	no	NG D Comments for WACM6 and WACM 4 apply
WACM8	Neutral	No	neutral	neutral	No	ADE E : The figure is not justified, and removes consumer benefits.
WACM9	Neutral	No	neutral	Neutral	No	Infinis A : The figures used are not justified, and remove consumer benefits.
WACM10	Neutral	No	neutral	Neutral	No	Green Frog A : The figure used is not justified, and removes consumer benefits.
WACM11	Neutral	No	neutral	Neutral	No	Eider A : The grandfathering removes consumer benefits, and the statement of defect isn't about

						allocation of offshore costs (269 is rooted in 264)
WACM12	Neutral	No	neutral	Neutral	No	UKPR F1 : there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition
WACM13	Neutral	No	neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition
WACM14	Neutral	No	neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition
WACM15	Neutral	No	neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition
WACM16	Neutral	No	neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition

WACM17	Neutral	No	neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition
WACM18	Neutral	No	neutral	Neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition
WACM19	Neutral	Yes	neutral	Neutral	Yes	SP B : better than CMP264/269 original as the grandfathering is less material
WACM20	Neutral	No	neutral	Neutral	No	Alkane A : include too much grandfathering re : time (2018) and re : materiality (grandfathering delays consumer benefit); even AG keeps a lot of benefit, and that £27/kW is arbitrary.
WACM21	neutral	No	neutral	Neutral	No	Alkane B : Too much grandfathering (2018) and too much grandfathering (materiality; even AG keeps a lot, and that lowest locational value seems unjustified
WACM22	neutral	No	neutral	neutral	No	ADE C : Too much grandfathering (2019) and too

						much grandfathering (materiality; even AG keeps a lot
WACM23	neutral	No	neutral	Neutral	No	Infinis B : the materiality of the grandfathering is distortive and increases consumer costs.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

WACM	Better facilitates ACO (a) obligations	Better facilitates ACO (b)? competition	Better facilitates ACO (c)? ACER	Better facilitates ACO (d)? administration	Overall (Y/N)	Rationale
	Paul Mott					
Original	Same !	Same !	Same !	Same !	Same !	This IS the original of CMP269 = CMP264
WACM1	neutral	Yes	neutral	neutral	Yes	Centrica B does <u>better</u> than CMP264/269 original,

						facilitate the CUSC main and charging objectives, overall, assessed against the CMP264 (269) statement of defect. (this flooring comment applies to <u>all</u> CMP269 and CMP264 variants : I see no rationale for flooring, though, as the locational charge should just be put right if it is not cost-reflective ( <i>and if it is cost-reflective, why floor it, either on its own or in aggregate with something else ?</i> )). I understand Centrica's reasoning for generation residual.
WACM2	neutral	No	neutral	neutral	No	NG C Phasing defers consumer benefit to such a degree that the mod is not beneficial overall assessed against the CMP264 (269) statement of defect, and certainly, for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM3	neutral	Yes	neutral	neutral	Yes	Uniper A uses grid's figure of [£1.62] for true benefit. Lacking phasing or grandfathering, giving good benefit – better, for the purpose of this row, <u>than CMP264/269 original</u>
WACM4	neutral	No	neutral	neutral	No	SSE A Phasing defers consumer benefit to such a degree that the mod is not beneficial overall assessed against the CMP264 statement of defect, and for the purpose of this row, <u>not better than</u>

						<u>CMP264/269 original</u>
WACM5	neutral	No	neutral	neutral	No	SSE B Phasing defers consumer benefit to such a degree that the mod is not beneficial overall assessed against the statement of defect and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM6	neutral	No	neutral	neutral	No	NG A I can see no justification for using the lowest locational value in this manner – creates an arbitrary ongoing distortion, removes consumer benefit; and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM7	neutral	No	neutral	neutral	No	NG D Comments for WACM6 and WACM 4 apply and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM8	neutral	No	neutral	neutral	No	ADE E : The figure is not justified, and removes consumer benefits and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM9	neutral	No	neutral	neutral	No	Infinis A : The figures used are not justified, and remove consumer benefits. and for the purpose of this row, <u>not better than CMP264/269 original</u>

WACM10	neutral	No	neutral	neutral	No	Green Frog A : The figure used is not justified, and removes consumer benefits. and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM11	neutral	No	neutral	neutral	No	Eider A : The grandfathering removes consumer benefits, and the statement of defect isn't about allocation of offshore costs (269 is rooted in 264) and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM12	neutral	No	neutral	neutral	No	UKPR F1 : there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition and for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM13	neutral	No	neutral	neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition; for the purpose of this row, <u>not better than CMP264/269 original</u>

WACM14	neutral	No	neutral	neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM15	neutral	No	neutral	neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM16	neutral	No	neutral	neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM17	neutral	No	neutral	neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers fairer competition; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM18	neutral	No	neutral	neutral	No	there is no rationale for exempting CM/CFD-holding EGs contracted in 2014 or in 2015, and this variant delays consumer benefits and defers

						fairer competition; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM19	neutral	Yes	neutral	neutral	Yes	SP B : better than CMP264/269 original as the grandfathering is less material
WACM20	neutral	No	neutral	neutral	No	Alkane A : include too much grandfathering re : time (2018) and re : materiality (grandfathering delays consumer benefit); even AG keeps a lot of benefit, and that £27/kW is arbitrary; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM21	neutral	No	neutral	neutral	No	Alkane B : Too much grandfathering (2018) and too much grandfathering (materiality; even AG keeps a lot, and that lowest locational value seems unjustified; for the purpose of this row, <u>not better than CMP264/269 original</u>
WACM22	neutral	No	neutral	neutral	No	ADE C : Too much grandfathering (2019; although in another sense re : multiyear new build, less grandfathering than CMP264 original; however, overall, more grandfathering than CMP264

						original); I note that it does have a lower grandfathering materiality than CMP264 original, but 2019 is a late deadline and gives a lot of grandfathering as a set of plant
WACM23	neutral	No	neutral	neutral	No	Infinis B : the grandfathering including the value of "X" for affected plant is distortive and increases consumer costs, is worse than CMP264 original.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Paul Mott	WACM 3	I understand that the proposer has included an attempt to identify what he contends to be the "correct" value for benefits (avoided GSP switchgear costs, re-assessed each price control). I am open-minded but warm to this concept; it is better than the other ideas, which seem to lack justification, around what "X" should be. There is no grandfathering, and no phasing, enabling quick consumer

		benefits, and efficient, simple implementation; therefore best option re : CMP264/269
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## CHANGE MADE TO TEXT ON “BEST”

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

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**CMP270: (sister to CMP265)**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a) licence	Better facilitates ACO (b) compo	Better facilitates ACO (c) ACER	Better facilitates ACO (d) efficiency	Overall (Y/N)	Rationale
<b>Workgroup member Paul Mott</b>						
Original CMP270 (CMP265 sister mod)	Neutral	Yes	Neutral	Neutral	Yes	Statement of defect of CMP265 is to address a distortion in the CM. This mod does exactly that. Against its own statement of defect, it is excellent
WACM1	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against

						relevant statement of defect, it is not effective
WACM2	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM3	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM4	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM5	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM6	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective

WACM7	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM8	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM9	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM10	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM11	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective

WACM12	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM13	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM14	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM15	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective
WACM16	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not effective



	same	same	same	same	same	
WACM1	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM2	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM3	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM4	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original

WACM5	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM6	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM7	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM8	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM9	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects

						other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM10	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM11	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM12	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM13	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective

						as CMP270 Original
WACM14	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM15	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM16	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
WACM17	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original

WACM18	Neutral	No	Neutral	Neutral	No	Statement of defect of CMP270 (and 265) is to address a distortion in the CM. This mod affects other generators not in the CM, so against relevant statement of defect, it is not as effective as CMP270 Original
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**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member Paul Mott	CMP270 original	Statement of defect of CMP270 is to address a distortion in the CM. This mod does exactly that, none of the WACMs does as they all affect other plant too, thus less accurately meeting the statement of defect. Against its own statement of defect, it is excellent

<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member: Mike Davies (Eider Reserve Power Limited)						
Original	No	No	No	Neither better nor worse	No	No	The proposal creates discrimination in favour of behind-the-meter generation as well as between old and new embedded generation. There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. Overall we see no merit in this proposal.
WACM1	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration.

WACM2	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM3	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM4	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM5	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM6	No	No	No	Neither better	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly

				nor worse			cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM7	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM8	Yes	No	No	Neither better nor worse	No	No	The proposed charge, which is quite arbitrary, may currently be closer to a correct cost-reflective figure than the baseline although this remains to be proven. It does however create discrimination with behind the meter generation and it is unclear if this is due discrimination or not. It is more complex from an administration perspective than the baseline.
WACM9	No	No	No	Neither better nor worse	No	No	There is insufficient evidence put forward to suggest that this is more cost-effective than the baseline. It is overly complex for no obvious reason. It is more complex from an administration perspective than the baseline.

WACM10	Yes	Yes	No	Neither better nor worse	No	No	The level of charge proposed, whilst arbitrary, may well be closer to a true cost-reflective figure than the baseline. Because of the arbitrary nature of the value proposed however, on balance this is considered to be less good than the baseline which is derived from identified costs, albeit some may be inappropriate here.
WACM11	Yes	Yes	Yes	Neither better nor worse	No	Yes	This proposal clearly identifies a reason to amend the charging base, making the charges more cost reflective for the category of generator involved. In doing so it also achieves objective (c) as It enables offshore costs to be recovered without impacting embedded benefits. For objective (d) it is neither worse nor better than baseline. It is less efficient than baseline from an administration viewpoint but the overall benefits offered offset the additional administration burden which is more modest than other proposals.
WACM12	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis of the current baseline. However we consider that the change for other parties remains unjustified and is therefore not

							better than baseline.
WACM13	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains unjustified and is therefore not better than baseline.
WACM14	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains unjustified and is therefore not better than baseline.
WACM15	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains insufficiently justified and is therefore not better than baseline.

WACM16	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains insufficiently justified and is therefore not better than baseline.
WACM17	Yes	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. The change for other parties may represent a more cost-reflective figure and we therefore consider it better than baseline but it is arbitrary, has not been robustly justified and is therefore on balance this proposal is not better than baseline.
WACM18	Yes	Yes	Yes	Neither better nor worse	No	Yes	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. Remaining parties will receive embedded benefits that derive from logical costs. Whilst this is more complex than WACM11, nevertheless we consider that on balance it is still better than baseline.

WACM19	No	No	No	Neither better nor worse	No	No	The proposal creates discrimination in favour of behind-the-meter generation as well as between old and new embedded generation. There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. Overall we see no merit in this proposal.
WACM20	No	No	No	Neither better nor worse	No	No	We see this proposal as using quite arbitrary values with no logical derivation. The approach creates considerable complexity. Overall we consider it to be clearly worse than baseline.
WACM21	No	No	No	Neither better nor worse	No	No	We see this proposal as using quite arbitrary values with no logical derivation. The approach creates considerable complexity. Overall we consider it to be clearly worse than baseline.
WACM22	No	No	No	Neither better nor worse	No	No	We see this proposal as using quite arbitrary values with no logical derivation. The approach creates considerable complexity. Overall we consider it to be clearly worse than baseline.
WACM23	No	No	No	Neither better	No	No	We see this proposal as using quite arbitrary values with no logical derivation. The approach creates

				nor worse			considerable complexity. Overall we consider it to be clearly worse than baseline.
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**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Insert name}						
Original	N/A	N/A	N/A	N/A	N/A	N/A	
WACM1	No	No	No	Neither better	Yes	No	This alternative should be simpler to implement than the original and hence is better in that single regard

				nor worse			However to the extent that it impacts a wider group of generators and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline it is worse than the original when viewed against objectives (a) and (b).
WACM2	No	No	No	Neither better nor worse	Yes	No	This alternative should be simpler to implement than the original and hence is better in that single regard. However to the extent that it impacts a wider group of generators and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline it is worse than the original when viewed against objectives (a) and (b). The delayed implementation compared to other alternatives does not influence our view here.
WACM3	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).

WACM4	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM5	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM6	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).

WACM7	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM8	Yes	Yes	No	Neither better nor worse	Yes	Yes	Whilst this impacts a wider group of generators than the original, we consider it is better as the proposed changes are much less, leaving benefits closer to the original overall. We consider on balance that it should be easier to implement and therefore also meet objective (e).
WACM9	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM10	Yes	Yes	No	Neither better	Yes	Yes	Whilst this impacts a wider group of generators than the original, we consider it is better as the proposed

				nor worse			changes are much less, leaving benefits closer to the original overall. We consider on balance that it should be easier to implement and therefore also meet objective (e).
WACM11	Yes	Yes	Yes	Neither better nor worse	Yes	Yes	Whilst this impacts a wider group of generators than the original, we consider it is better as the proposed changes are much less, leaving benefits closer to the original overall and has a clear logic for its approach. Furthermore it achieves objective (c) as it enables offshore costs to be recovered without impacting embedded benefits. We consider on balance that it should be easier to implement and therefore also meet objective (e). For objective (d) we consider it to be neutral.
WACM12	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM13	No	No	No	Neither better	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which

				nor worse			has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM14	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM15	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM16	No	No	No	Neither better	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which

				nor worse			has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM17	Yes	Yes	No	Neither better nor worse	Yes	Yes	Whilst this impacts a wider group of generators than the original, we consider it is better as the proposed changes are much less, leaving benefits closer to the original overall. The addition of grandfathering to WACM8 is an improvement which we welcome and consider to be due discrimination. We consider on balance that it should be easier to implement and therefore also meet objective (e).
WACM18	Yes	Yes	No	Neither better nor worse	Yes	Yes	Whilst this impacts a wider group of generators than the original, we consider it is better as the proposed changes are logical and justified. The addition of grandfathering to the WACM8 is a change which we consider to be due discrimination although it does detract from the simplicity of the related WACM11. We consider on balance that it should be easier to implement than the original and therefore also meet objective (e).

WACM19	No	No	No	Neither better nor worse	No	No	The change to the level of grandfathering when compared to the original is adverse to the impacted parties and has not been justified. It also adds complexity and is therefore worse.
WACM20	Yes	Yes	No	Neither better nor worse	No	Yes	This is a complex proposal and hence fails against objective (e). There are adverse changes to existing embedded generators when compared to the original which have not been justified but the changes proposed to new generators, while also not justified by the proposer, are materially less than those in the original so on balance we consider it to be better than the original.
WACM21	Yes	Yes	No	Neither better nor worse	No	Yes	This is a complex proposal and hence fails against objective (e). There are adverse changes to existing embedded generators when compared to the original which have not been justified but the changes proposed to new generators, while also not justified by the proposer, are materially less than those in the original so on balance we consider it to be better than the original.
WACM22	Yes	Yes	No	Neither better nor worse	No	Yes	This is a complex proposal and hence fails against objective (e). There are adverse changes to existing embedded generators when compared to the original which have not been justified but the changes

							proposed to new generators, while also not justified by the proposer, are materially less than those in the original so on balance we consider it to be better than the original.
WACM23	No	No	No	Neither better nor worse	No	No	The change to the level of grandfathering when compared to the original is adverse to the impacted parties and has not been justified. The higher values to be paid to new embedded generators are better than the original in the sense that they are closer to the base line (and no change has been adequately justified by evidence for either the original or this alternative). However on balance we consider that this one element is not sufficient to view the proposal as overall better than the original. It also adds complexity and fails against objective (e). It is therefore worse.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member: <b>Mike Davies</b></p>	<p>WACM11</p>	<p>This option has a logical derivation of the costs used to assess the embedded benefit. New investment in the transmission system largely to support new renewables should be ring-fenced and taken out of the calculation of TNUoS. It is simpler than other proposals to implement and able to be implemented much earlier, particularly in its original form. It allows for further refinement as more costs can be identified and excluded that are associated with technologies where state aid is supporting them. It addresses a major driver of increasing levels of embedded benefit but does not create major changes which may undermine investor confidence in the market or lead to the closure of large volumes of embedded generation, threatening energy security and increasing energy costs for consumers. Finally it preserves a structure of embedded benefits which has been reviewed on many occasions by Ofgem over a period of more than twenty years and found to be robust and fit for purpose. Through a modest change this key embedded benefit structure is made more fit for purpose.. The original form of this proposal was non-discriminatory between <i>behind the meter</i> and <i>in front of the meter</i> embedded generation and DSR. Whereas today, these parties are treated equally, the ToR of the Working Group prescribed discriminatory proposals for change.</p>

Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	<b>Workgroup member: Mike Davies, Eider Reserve Power Limited</b>						
Original	No	No	No	Neither better nor worse	No	No	The proposal is discriminatory and has produced no evidence for due discrimination. Furthermore it envisages changes in embedded benefits for which no persuasive evidence has been produced to justify a claim that they are more cost reflective. It adds administrative complexity. We therefore see no merit in this proposal.
WACM1	No	No	No	Neither better nor worse	No	No	The proposal is discriminatory and has produced no evidence for due discrimination. Furthermore it envisages changes in embedded benefits for which no persuasive evidence has been produced to justify a claim that they are more cost reflective. It adds administrative complexity. We therefore see no

							merit in this proposal.
WACM2	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM3	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM4	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM5	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.

WACM6	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM7	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM8	Yes	No	No	Neither better nor worse	No	No	The proposed charge, which is quite arbitrary, may currently be closer to a correct cost-reflective figure than the baseline although this remains to be proven. It does however create discrimination with behind the meter generation and it is unclear if this is due discrimination or not. It is more complex from an administration perspective than the baseline.
WACM9	No	No	No	Neither better nor worse	No	No	There is insufficient evidence put forward to suggest that this is more cost-effective than the baseline. It is overly complex for no obvious reason. It is more complex from an administration perspective than the baseline.

WACM10	Yes	Yes	No	Neither better nor worse	No	No	The level of charge proposed, whilst arbitrary, may well be closer to a true cost-reflective figure than the baseline. Because of the arbitrary nature of the value proposed however, on balance this is considered to be less good than the baseline which is derived from identified costs, albeit some may be inappropriate here.
WACM11	Yes	Yes	No	Neither better nor worse	No	Yes	This proposal clearly identifies a reason to amend the charging base, making the charges more cost reflective for the category of generator involved. It is discriminatory in favour of behind-the-meter generation but the level of discrimination is modest and due in the context of the values involved. Similarly it is less efficient than baseline from an administration viewpoint but the overall benefits offered offset the additional administration burden which is more modest than other proposals. Whilst it is not considered to better achieve objectives (b) and (c), it is no worse either.
WACM12	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis of the current baseline. However we consider that the change for other parties remains unjustified and is therefore not

							better than baseline.
WACM13	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains unjustified and is therefore not better than baseline.
WACM14	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains unjustified and is therefore not better than baseline.
WACM15	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains unjustified and is therefore not better than baseline.

WACM16	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains unjustified and is therefore not better than baseline.
WACM17	Yes	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. The change for other parties may represent a more cost-reflective figure and we therefore consider it better than baseline but it is arbitrary, has not been robustly justified and is therefore on balance this proposal is not better than baseline.
WACM18	Yes	Yes	No	Neither better nor worse	No	Yes	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. Remaining parties will receive embedded benefits that derive from logical costs. Whilst this is more complex than WACM11, nevertheless we consider that on balance it is still better than baseline.

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO	Overall (Y/N)	Rationale				
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	(a)	(b)?	(c)?	(d)?	(e)?		
	Workgroup member: Mike Davies, Eider Reserve Power Limited						
Original	N/A	N/A	N/A	N/A	N/A	N/A	
WACM1	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM2	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM3	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the

							Original.
WACM4	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM5	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM6	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM7	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient

							in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM8	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM9	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM10	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.

WACM11	Yes	Yes	Yes	Neither better nor worse	Yes	Yes	<p>CMP265 identifies a narrowly drawn defect and only impacts those embedded generators entering the capacity market. Although most of the WACM's deal with the level of embedded benefits across a wider group of generators, CMP265 itself does not question the appropriateness of embedded benefit levels. However it does suggest there is an unreasonable advantage being gained by CM bidders who receive embedded benefits. This WACM considers that point and identifies a major element of embedded benefit payments that may be legitimately argued to be not cost-reflective for embedded generators. For this reason, when viewed against the perceived defect is considered to be better than the Original.</p>
WACM12	No	No	No	Neither better nor worse	No	No	<p>There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.</p>
WACM13	No	No	No	Neither better nor worse	No	No	<p>There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the</p>

							Original.
WACM14	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original. There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM15	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM16	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the

							Original.
WACM17	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM18	Yes	Yes	Yes	Neither better nor worse	No	Yes	To the extent that this is based on WACM11 we consider it shares the benefits of that proposal. We also consider there is a case for arguing due discrimination for the class of generator grandfathered in this alternative although it creates additional complexity. For that reason we consider to be better than the Original.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member: Mike Davies	WACM11	This option has a logical derivation of the costs used to assess the embedded benefit. New investment in the transmission system largely to support new renewables should be ring-fenced and taken out of the calculation of TNUoS. It is simpler than other proposals to implement and able to be implemented much earlier, particularly in its original form. It allows for further refinement as more costs can be identified and excluded that are associated with technologies where state aid is supporting them. It addresses a major driver of increasing levels of embedded

		<p>benefit but does not create major changes which may undermine investor confidence in the market or lead to the closure of large volumes of embedded generation, threatening energy security and increasing energy costs for consumers. Finally it preserves a structure of embedded benefits which has been reviewed on many occasions by Ofgem over a period of more than twenty years and found to be robust and fit for purpose. Through a modest change this key embedded benefit structure is made more fit for purpose.. The original form of this proposal was non-discriminatory between <i>behind the meter</i> and <i>in front of the meter</i> embedded generation and DSR. Whereas today, these parties are treated equally, the ToR of the Working Group prescribed discriminatory proposals for change.</p>
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP269:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member: Mike Davies (Eider Reserve Power Limited)						
Original	No	No	No	Neither better nor worse	No	No	The proposal creates discrimination in favour of behind-the-meter generation as well as between old and new embedded generation. There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. Overall we see no merit in this proposal.
WACM1	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration.

WACM2	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM3	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM4	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM5	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM6	No	No	No	Neither better	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly

				nor worse			cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM7	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM8	Yes	No	No	Neither better nor worse	No	No	The proposed charge, which is quite arbitrary, may currently be closer to a correct cost-reflective figure than the baseline although this remains to be proven. It does however create discrimination with behind the meter generation and it is unclear if this is due discrimination or not. It is more complex from an administration perspective than the baseline.
WACM9	No	No	No	Neither better nor worse	No	No	There is insufficient evidence put forward to suggest that this is more cost-effective than the baseline. It is overly complex for no obvious reason. It is more complex from an administration perspective than the baseline.

WACM10	Yes	Yes	No	Neither better nor worse	No	No	The level of charge proposed, whilst arbitrary, may well be closer to a true cost-reflective figure than the baseline. Because of the arbitrary nature of the value proposed however, on balance this is considered to be less good than the baseline which is derived from identified costs, albeit some may be inappropriate here.
WACM11	Yes	Yes	Yes	Neither better nor worse	No	Yes	This proposal clearly identifies a reason to amend the charging base, making the charges more cost reflective for the category of generator involved. In doing so it also achieves objective (c) as It enables offshore costs to be recovered without impacting embedded benefits. For objective (d) it is neither worse nor better than baseline. It is less efficient than baseline from an administration viewpoint but the overall benefits offered offset the additional administration burden which is more modest than other proposals.
WACM12	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis of the current baseline. However we consider that the change for other parties remains unjustified and is therefore not

							better than baseline.
WACM13	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains unjustified and is therefore not better than baseline.
WACM14	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains unjustified and is therefore not better than baseline.
WACM15	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains insufficiently justified and is therefore not better than baseline.

WACM16	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains insufficiently justified and is therefore not better than baseline.
WACM17	Yes	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. The change for other parties may represent a more cost-reflective figure and we therefore consider it better than baseline but it is arbitrary, has not been robustly justified and is therefore on balance this proposal is not better than baseline.
WACM18	Yes	Yes	Yes	Neither better nor worse	No	Yes	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. Remaining parties will receive embedded benefits that derive from logical costs. Whilst this is more complex than WACM11, nevertheless we consider that on balance it is still better than baseline.

WACM19	No	No	No	Neither better nor worse	No	No	The proposal creates discrimination in favour of behind-the-meter generation as well as between old and new embedded generation. There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. Overall we see no merit in this proposal.
WACM20	No	No	No	Neither better nor worse	No	No	We see this proposal as using quite arbitrary values with no logical derivation. The approach creates considerable complexity. Overall we consider it to be clearly worse than baseline.
WACM21	No	No	No	Neither better nor worse	No	No	We see this proposal as using quite arbitrary values with no logical derivation. The approach creates considerable complexity. Overall we consider it to be clearly worse than baseline.
WACM22	No	No	No	Neither better nor worse	No	No	We see this proposal as using quite arbitrary values with no logical derivation. The approach creates considerable complexity. Overall we consider it to be clearly worse than baseline.
WACM23	No	No	No	Neither better	No	No	We see this proposal as using quite arbitrary values with no logical derivation. The approach creates

				nor worse			considerable complexity. Overall we consider it to be clearly worse than baseline.
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**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Insert name}						
Original	N/A	N/A	N/A	N/A	N/A	N/A	
WACM1	No	No	No	Neither better	Yes	No	This alternative should be simpler to implement than the original and hence is better in that single regard

				nor worse			However to the extent that it impacts a wider group of generators and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline it is worse than the original when viewed against objectives (a) and (b).
WACM2	No	No	No	Neither better nor worse	Yes	No	This alternative should be simpler to implement than the original and hence is better in that single regard. However to the extent that it impacts a wider group of generators and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline it is worse than the original when viewed against objectives (a) and (b). The delayed implementation compared to other alternatives does not influence our view here.
WACM3	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).

WACM4	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM5	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM6	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).

WACM7	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM8	Yes	Yes	No	Neither better nor worse	Yes	Yes	Whilst this impacts a wider group of generators than the original, we consider it is better as the proposed changes are much less, leaving benefits closer to the original overall. We consider on balance that it should be easier to implement and therefore also meet objective (e).
WACM9	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM10	Yes	Yes	No	Neither better	Yes	Yes	Whilst this impacts a wider group of generators than the original, we consider it is better as the proposed

				nor worse			changes are much less, leaving benefits closer to the original overall. We consider on balance that it should be easier to implement and therefore also meet objective (e).
WACM11	Yes	Yes	Yes	Neither better nor worse	Yes	Yes	Whilst this impacts a wider group of generators than the original, we consider it is better as the proposed changes are much less, leaving benefits closer to the original overall and has a clear logic for its approach. Furthermore it achieves objective (c) as it enables offshore costs to be recovered without impacting embedded benefits. We consider on balance that it should be easier to implement and therefore also meet objective (e). For objective (d) we consider it to be neutral.
WACM12	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM13	No	No	No	Neither better	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which

				nor worse			has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM14	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM15	No	No	No	Neither better nor worse	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM16	No	No	No	Neither better	No	No	This impacts a wider group of generators than the original and seeks to impact them in a manner which

				nor worse			has not been shown by clear and persuasive evidence to be more cost reflective than the baseline. It is therefore worse than the original when viewed against objectives (a) and (b). Added complexity also makes it worse in our view when considered against objective (e).
WACM17	Yes	Yes	No	Neither better nor worse	Yes	Yes	Whilst this impacts a wider group of generators than the original, we consider it is better as the proposed changes are much less, leaving benefits closer to the original overall. The addition of grandfathering to WACM8 is an improvement which we welcome and consider to be due discrimination. We consider on balance that it should be easier to implement and therefore also meet objective (e).
WACM18	Yes	Yes	No	Neither better nor worse	Yes	Yes	Whilst this impacts a wider group of generators than the original, we consider it is better as the proposed changes are logical and justified. The addition of grandfathering to the WACM8 is a change which we consider to be due discrimination although it does detract from the simplicity of the related WACM11. We consider on balance that it should be easier to implement than the original and therefore also meet objective (e).

WACM19	No	No	No	Neither better nor worse	No	No	The change to the level of grandfathering when compared to the original is adverse to the impacted parties and has not been justified. It also adds complexity and is therefore worse.
WACM20	Yes	Yes	No	Neither better nor worse	No	Yes	This is a complex proposal and hence fails against objective (e). There are adverse changes to existing embedded generators when compared to the original which have not been justified but the changes proposed to new generators, while also not justified by the proposer, are materially less than those in the original so on balance we consider it to be better than the original.
WACM21	Yes	Yes	No	Neither better nor worse	No	Yes	This is a complex proposal and hence fails against objective (e). There are adverse changes to existing embedded generators when compared to the original which have not been justified but the changes proposed to new generators, while also not justified by the proposer, are materially less than those in the original so on balance we consider it to be better than the original.
WACM22	Yes	Yes	No	Neither better nor worse	No	Yes	This is a complex proposal and hence fails against objective (e). There are adverse changes to existing embedded generators when compared to the original which have not been justified but the changes

							proposed to new generators, while also not justified by the proposer, are materially less than those in the original so on balance we consider it to be better than the original.
WACM23	No	No	No	Neither better nor worse	No	No	The change to the level of grandfathering when compared to the original is adverse to the impacted parties and has not been justified. The higher values to be paid to new embedded generators are better than the original in the sense that they are closer to the base line (and no change has been adequately justified by evidence for either the original or this alternative). However on balance we consider that this one element is not sufficient to view the proposal as overall better than the original. It also adds complexity and fails against objective (e). It is therefore worse.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member: <b>Mike Davies</b></p>	<p>WACM11</p>	<p>This option has a logical derivation of the costs used to assess the embedded benefit. New investment in the transmission system largely to support new renewables should be ring-fenced and taken out of the calculation of TNUoS. It is simpler than other proposals to implement and able to be implemented much earlier, particularly in its original form. It allows for further refinement as more costs can be identified and excluded that are associated with technologies where state aid is supporting them. It addresses a major driver of increasing levels of embedded benefit but does not create major changes which may undermine investor confidence in the market or lead to the closure of large volumes of embedded generation, threatening energy security and increasing energy costs for consumers. Finally it preserves a structure of embedded benefits which has been reviewed on many occasions by Ofgem over a period of more than twenty years and found to be robust and fit for purpose. Through a modest change this key embedded benefit structure is made more fit for purpose.. The original form of this proposal was non-discriminatory between <i>behind the meter</i> and <i>in front of the meter</i> embedded generation and DSR. Whereas today, these parties are treated equally, the ToR of the Working Group prescribed discriminatory proposals for change.</p>

Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP270:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	<b>Workgroup member: Mike Davies, Eider Reserve Power Limited</b>						
Original	No	No	No	Neither better nor worse	No	No	The proposal is discriminatory and has produced no evidence for due discrimination. Furthermore it envisages changes in embedded benefits for which no persuasive evidence has been produced to justify a claim that they are more cost reflective. It adds administrative complexity. We therefore see no merit in this proposal.
WACM1	No	No	No	Neither better nor worse	No	No	The proposal is discriminatory and has produced no evidence for due discrimination. Furthermore it envisages changes in embedded benefits for which no persuasive evidence has been produced to justify a claim that they are more cost reflective. It adds administrative complexity. We therefore see no

							merit in this proposal.
WACM2	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM3	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM4	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM5	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.

WACM6	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM7	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. Inappropriate to ignore the residual. This is less efficient in both implementation and administration.
WACM8	Yes	No	No	Neither better nor worse	No	No	The proposed charge, which is quite arbitrary, may currently be closer to a correct cost-reflective figure than the baseline although this remains to be proven. It does however create discrimination with behind the meter generation and it is unclear if this is due discrimination or not. It is more complex from an administration perspective than the baseline.
WACM9	No	No	No	Neither better nor worse	No	No	There is insufficient evidence put forward to suggest that this is more cost-effective than the baseline. It is overly complex for no obvious reason. It is more complex from an administration perspective than the baseline.

WACM10	Yes	Yes	No	Neither better nor worse	No	No	The level of charge proposed, whilst arbitrary, may well be closer to a true cost-reflective figure than the baseline. Because of the arbitrary nature of the value proposed however, on balance this is considered to be less good than the baseline which is derived from identified costs, albeit some may be inappropriate here.
WACM11	Yes	Yes	No	Neither better nor worse	No	Yes	This proposal clearly identifies a reason to amend the charging base, making the charges more cost reflective for the category of generator involved. It is discriminatory in favour of behind-the-meter generation but the level of discrimination is modest and due in the context of the values involved. Similarly it is less efficient than baseline from an administration viewpoint but the overall benefits offered offset the additional administration burden which is more modest than other proposals. Whilst it is not considered to better achieve objectives (b) and (c), it is no worse either.
WACM12	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis of the current baseline. However we consider that the change for other parties remains unjustified and is therefore not

							better than baseline.
WACM13	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains unjustified and is therefore not better than baseline.
WACM14	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains unjustified and is therefore not better than baseline.
WACM15	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains unjustified and is therefore not better than baseline.

WACM16	No	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. However we consider that the change for other parties remains unjustified and is therefore not better than baseline.
WACM17	Yes	No	No	Neither better nor worse	No	No	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. The change for other parties may represent a more cost-reflective figure and we therefore consider it better than baseline but it is arbitrary, has not been robustly justified and is therefore on balance this proposal is not better than baseline.
WACM18	Yes	Yes	No	Neither better nor worse	No	Yes	We consider that the grandfathering provision represents due discrimination in favour of those parties who have already made financial commitments on the basis is the current baseline. Remaining parties will receive embedded benefits that derive from logical costs. Whilst this is more complex than WACM11, nevertheless we consider that on balance it is still better than baseline.

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO	Overall (Y/N)	Rationale				
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	(a)	(b)?	(c)?	(d)?	(e)?		
	Workgroup member: Mike Davies, Eider Reserve Power Limited						
Original	N/A	N/A	N/A	N/A	N/A	N/A	
WACM1	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM2	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM3	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the

							Original.
WACM4	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM5	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM6	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM7	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient

							in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM8	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM9	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM10	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.

WACM11	Yes	Yes	Yes	Neither better nor worse	Yes	Yes	<p>CMP265 identifies a narrowly drawn defect and only impacts those embedded generators entering the capacity market. Although most of the WACM's deal with the level of embedded benefits across a wider group of generators, CMP265 itself does not question the appropriateness of embedded benefit levels. However it does suggest there is an unreasonable advantage being gained by CM bidders who receive embedded benefits. This WACM considers that point and identifies a major element of embedded benefit payments that may be legitimately argued to be not cost-reflective for embedded generators. For this reason, when viewed against the perceived defect is considered to be better than the Original.</p>
WACM12	No	No	No	Neither better nor worse	No	No	<p>There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.</p>
WACM13	No	No	No	Neither better nor worse	No	No	<p>There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the</p>

							Original.
WACM14	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original. There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM15	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM16	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the

							Original.
WACM17	No	No	No	Neither better nor worse	No	No	There is no persuasive evidence to support an argument that embedded benefits are not broadly cost reflective under the baseline. This is less efficient in both implementation and administration. This also addresses a different perceived defect than the Original.
WACM18	Yes	Yes	Yes	Neither better nor worse	No	Yes	To the extent that this is based on WACM11 we consider it shares the benefits of that proposal. We also consider there is a case for arguing due discrimination for the class of generator grandfathered in this alternative although it creates additional complexity. For that reason we consider to be better than the Original.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member: <b>Mike Davies</b></p>	<p>WACM11</p>	<p>This option has a logical derivation of the costs used to assess the embedded benefit. New investment in the transmission system largely to support new renewables should be ring-fenced and taken out of the calculation of TNUoS. It is simpler than other proposals to implement and able to be implemented much earlier, particularly in its original form. It allows for further refinement as more costs can be identified and excluded that are associated with technologies where state aid is supporting them. It addresses a major driver of increasing levels of embedded</p>

		<p>benefit but does not create major changes which may undermine investor confidence in the market or lead to the closure of large volumes of embedded generation, threatening energy security and increasing energy costs for consumers. Finally it preserves a structure of embedded benefits which has been reviewed on many occasions by Ofgem over a period of more than twenty years and found to be robust and fit for purpose. Through a modest change this key embedded benefit structure is made more fit for purpose.. The original form of this proposal was non-discriminatory between <i>behind the meter</i> and <i>in front of the meter</i> embedded generation and DSR. Whereas today, these parties are treated equally, the ToR of the Working Group prescribed discriminatory proposals for change.</p>
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Simon lord						see attached table below reference (1), (2) and (3) applicable to many WACM's
(1) Codified fixed rate defect	<p>The CUSC baseline contains no reference to any codified netted embedded benefits but rather simply charges supplier demand at a £/kw rate based on Triad output. Any proposal that explicitly codifies a value of embedded benefit moves the CUSC from a position of being not cognisant of the issue to a position of consolidating some or all of the netting benefit into the Code and hence confirming that the benefit meets the appropriate charging objectives.</p> <p>However, to codify and therefore accept the netting regime meets the charging objectives is in fact worse than the current baseline which does not include the regime and therefore has no view on whether the regime meets the charging objectives.</p>						

	<p>Secondly, if due to circumstances the values of the netting benefit reduces to below the codified value, the benefit would remain at the codified rate this is not better than the baseline/original.</p> <p>Thirdly, as has been demonstrated to the working group using the full transport and tariff model, there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. Thus proposals that advocate an embedded benefit fixed charge of more than ~£1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational charge are not better than the baseline and original proposal as the proposed charge is not cost reflective.</p>
<p>(2)</p> <p>Grandfathering defect</p>	<p>Proposals that grandfather some or all of the historic embedded benefit to a sub-set of distribution connected generation for a number of years will result in a distortion in the market for energy and balancing services. Grandfathered generators will effectively receive funding from TNUoS customers to cover a significant proportion of the fixed costs associated with the capital investment for their assets. This will allow this class of generation to offer power and ancillary serves at much lower rates than would otherwise be the case.</p> <p>Generation that does not benefit from grandfathering arrangements and transmission connected generation (that does not receive embedded benefits) will need to include a proportion of the fixed costs in the price that they offer energy and/or balancing services this will make this class of generation relatively uneconomic. The consequence of this are that it will stifle completion in new markets where there is a need to develop flexibility and dynamic services by allowing grandfathered generation to undercut the economics of all other type of generation. Ultimately this will lead to increased cost to consumers as more efficient and cost effective options fail to materialise or withdraw from the market. This is especially concerning with balancing services where the market depth is a relative small at a few thousand MW. Thus all option that propose grandfathering are worse than the baseline/original.</p>
<p>(3)</p> <p>Delayed implementation</p>	<p>Options that gradually/delay a move from the current arrangements to the new solution of a number of years are not cost reflective during the intervening years. The System Operator has not presented any evidence of an operational need for this to the working group during any of the meetings and discussion that have taken place.</p> <p>Given that there has been no evidence presented by the SO of a need to have a gradually reduction in the benefits, these options will simple result in increased cost to consumers without an operational need and a delay a reduction in consumers</p>

defect		bills. All alternatives have at least 12 month implementation time and Ofgem can delay this to an appropriate point in time. Thus any alternative that codifies a gradual or a delayed move to a more cost reflective solution without any evidence that it will result in system security issues is not better than the baseline/original.					
Original	No	No	No	N/A	N/A	No	<p>See attached table fails on grandfathering (2) and codified fixed rate defect (1).</p> <p>All generators unaffected by the proposal are effectively “grandfathered” at an ever increasing non-cost reflective rate that is codified into the CUSC.</p> <p>The CUSC baseline contains no reference to any codified netted embedded benefits but rather simply charges supplier demand at a £/kw rate based on Triad output. Any proposal that explicitly codifies a value of embedded benefit moves the CUSC from a position of being not cognisant of the issue to a position of consolidating some or all of the netting benefit into the Code and hence confirming that the benefit meets the appropriate charging objectives.</p> <p>However, to codify and therefore accept the netting regime meets the charging objectives is in fact worse than the current baseline which does not include the regime and therefore has no view on whether the regime meets the charging objectives</p> <p>Secondly as has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses, of the connection of distributed generation and transmission connected generation at the same location and the value is around £1.62/kw plus the locational charge.</p> <p>This proposal that advocates an embedded benefit for some classes of generation is maintained at the current rate which far exceeds a cost</p>

							reflective rate and will maintain customers' bills at an artificially high level and not deliver value to customers in the form of reduced transmission charges and ultimately bills to the end consumers.
WACM1	Yes	Yes	Yes	N/A	N/A	<b>Yes</b>	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. We support this proposal based on cost reflective principles as it will treat transmission and embedded generation connecting at the same location on a similar basis. Adding the generation residual to the embedded tariff should this go negative seems a pragmatic approach although it does bring in an element of charging recovery as opposed to cost relative methodology.
WACM2	No	Yes	Yes	N/A	N/A	No	See attached table fails on Codified fixed rate defect (1) and delayed implementation (3).  See WACM 1 comments above. In addition, unfortunately this has been packaged by National Grid with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical. To codify an embedded benefit, even for a few years, introduces a much greater defect.
WACM3	Yes	Yes	Yes	N/A	N/A	<b>Yes</b>	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. This proposal that

							advocate an embedded benefit of a fixed charge of £1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational it is seen as cost reflective and we support this proposal.
WACM4	No	Yes	Yes	N/A	N/A	No	See attached table. Fails on Codified fixed rate defect (1) and delayed implementation (3).  See WACM3 comments. In addition, unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect.
WACM5	No	Yes	Yes	N/A	N/A	No	Fails on delayed implementation (3) temporary codified fixed rate defect (1)  This is a combination of WACM 1 and WACM 3 without the delayed implantation we would support this proposal but unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table
WACM6	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1)  This option is proposes that a potentially large non cost reflected fixed element is added to the locational element to avoid a negative locational charge potentially in two zones that have limited volumes of embedded generation. Whilst this preserves the location differential it does this by

							granting a significant none cost reflective benefit of up to £17/kw (based on future projections) to all embedded generators irrespective of location that drowns out the locational signal. Other options were presented to the group that either floored or spread the tariff over a number of hours to eliminate the effect. One of these was not taken forward by the group or the saved by the chair. We have a concern that the National Grid does benefit indirectly via its BSIS scheme from embedded benefits and as such is not merely an observers in this debate
WACM7	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1) and delayed implementation (3)  See WACM 6 plus This has also been packaged up by National Grid with a three year ramp , we believe that it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table
WACM8	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.
WACM9	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1) There is no cost reflective justification for the rate.  The fixed rate value of £20.12 is based on numbers detailed in the ADE report on embedded benefit. These numbers are based on the flawed assumption that the values of avoided transmission investments is the full cost of the investment. The correct assumption is that the avoided transmission

							<p>investment relates only to the locational element, as the majority of the cost (substations transformers etc) would be required irrespective of location. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation. Thus to allocate the full cost of an investments to embedded benefit is logically inconsistent and far from cost reflective. Transmission and distribution connected generation are treated equally under the connection policy with respect to the transmission system. The principle difference is that trasnmsion connected generation needs to fund and provide all infrastructure to connected to the 400 kV system whereas distribution connected generation does not. In summary, this proposal has a flawed understanding of ICRP methodology and allocates the full investment cost to all embedded generation ignoring the locational effect (by granting the £20.12 additional benefit even to areas where there is a negative locational charge thus negating the signal) and also ignoring the fact the embedded and transmission connected generation have the same effect on the trasnmsion system and should thus see the same signal. The ICRP methodology delivers a locational signal with non-locational element being picked up in the residual charge.</p>
WACM10	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.
WACM11	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1) This alternative proposed to maintain a percentage of the embedded benefit

							by removing one of the larger elements of TO costs (offshore) and effectively “dampening down” the resulting charge. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system of uses of the connection of distributed generation and transmission connected generation at the same location. This proposal locks in an embedded benefit that has no relationship to cost reflective principles or charging objectives and is thus worse than the baseline.
WACM12	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM13	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM14	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM15	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate that is added to the locational values and this effective grants a £17/kw embedded benefit to all.
WACM16	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate, it is derived from a flawed understanding of ICRP methodology and allocates the full investment cost as a locational element, ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal.

WACM17	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM18	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM19	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM20	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM21	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM22	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM23	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Simon Lord						see attached table below reference (1), (2) and (3) applicable to many WACM's
(1) Codified fixed rate defect	<p>The CUSC baseline contains no reference to any codified netted embedded benefits but rather simply charges supplier demand at a £/kw rate based on Triad output. Any proposal that explicitly codifies a value of embedded benefit moves the CUSC from a position of being not cognisant of the issue to a position of consolidating some or all of the netting benefit into the Code and hence confirming that the benefit meets the appropriate charging objectives.</p> <p>However, to codify and therefore accept the netting regime meets the charging objectives is in fact worse than the current baseline which does not include the regime and therefore has no view on whether the regime meets the charging objectives.</p> <p>Secondly, if due to circumstances the values of the netting benefit reduces to below the codified value, the benefit would remain at the codified rate this is not better than the baseline/original.</p> <p>Thirdly, as has been demonstrated to the working group using the full transport and tariff model, there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. Thus proposals that advocate an embedded benefit fixed charge of more than ~£1.62 (the avoided Grid Supply Point</p>						

	reinforcement cost) plus the locational charge are not better than the baseline and original as the charge is not cost reflective.						
(2) Grandfathering defect	<p>Proposals that grandfather some or all of the historic embedded benefit to a sub-set of distribution connected generation for a number of years will result in a distortion in the market for energy and balancing services. Grandfathered generators will effectively receive funding from TNUoS customers to cover a significant proportion of the fixed costs associated with the capital investment for their assets. This will allow this class of generation to offer power and ancillary serves at much lower rates than would otherwise be the case.</p> <p>Generation that does not benefit from grandfathering arrangements and transmission connected generation (that does not receive embedded benefits) will need to include a proportion of the fixed costs in the price that they offer energy and/or balancing services this will make this class of generation relatively uneconomic. The consequence of this are that it will stifle completion in new markets where there is a need to develop flexibility and dynamic services by allowing grandfathered generation to undercut the economics of all other type of generation. Ultimately this will lead to increased cost to consumers as more efficient and cost effective options fail to materialise or withdraw from the market. This is especially concerning with balancing services where the market depth is a relative small at a few thousand MW. Thus all option that propose grandfathering are worse than the baseline/original.</p>						
(3) Delayed implementation defect	<p>Options that gradually/delay a move from the current arrangements to the new solution of a number of years are not cost reflective during the intervening years. The System Operator has not presented any evidence of an operational need for this to the working group during any of the meetings and discussion that have taken place.</p> <p>Given that there has been no evidence presented by the SO of a need to have a gradually reduction in the benefits, these options will simple result in increased cost to consumers without an operational need and a delay a reduction in consumers bills. All alternatives have at least 12 month implementation time and Ofgem can delay this to an appropriate point in time. Thus any alternative that codifies a gradual or a delayed move to a more cost reflective solution without any evidence that it will result in system security issues is not better than the baseline/original.</p>						
Original							
WACM1	Yes	Yes	Yes	N/A	N/A	Yes	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of

							the connection of distributed generation and transmission connected generation at the same location. We support this proposal based on cost reflective principles as it will treat transmission and embedded generation connecting at the same location on a similar basis. Adding the generation residual to the embedded tariff should this go negative seems a pragmatic approach although it does bring in an element of charging recovery as opposed to cost relative methodology.
WACM2	No	Yes	Yes	N/A	N/A	No	See attached table fails on Codified fixed rate defect (1) and delayed implementation (3).  See WACM 1 comments above. In addition, unfortunately this has been packaged by National Grid with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical. To codify an embedded benefit, even for a few years, introduces a much greater defect.
WACM3	Yes	Yes	Yes	N/A	N/A	Yes	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. This proposal that advocate an embedded benefit of a fixed charge of £1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational it is seen as cost reflective and we support this proposal.
WACM4	No	Yes	Yes	N/A	N/A	No	See attached table. Fails on Codified fixed rate defect (1) and delayed implementation (3).  See WACM3 comments. In addition, unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect.

WACM5	No	Yes	Yes	N/A	N/A	No	<p>Fails on delayed implementation (3) temporary codified fixed rate defect (1)</p> <p>This is a combination of WACM 1 and WACM 3 without the delayed implantation we would support this proposal but unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table</p>
WACM6	No	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1)</p> <p>This option is proposes that a potentially large non cost reflected fixed element is added to the locational element to avoid a negative locational charge potentially in two zones that have limited volumes of embedded generation. Whilst this preserves the location differential it does this by granting a significant none cost reflective benefit of up to £17/kw (based on future projections) to all embedded generators irrespective of location that drowns out the locational signal. We have a concern that the National Grid does benefit indirectly via its BSIS scheme from embedded benefits and as such is not merely an observers in this debate. Other options were presented to the group that either floored or spread the tariff over a number of hours to eliminate the effect. One of these was not taken forward by the group or the saved by the chair.</p>
WACM7	No	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1) and delayed implementation (3)</p> <p>See WACM 6 plus This has also been packaged up by National Grid with a three year ramp , we believe that it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table</p>

WACM8	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.
WACM9	No	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1) There is no cost reflective justification for the rate.</p> <p>The fixed rate value of £20.12 is based on numbers detailed in the ADE report on embedded benefit. These numbers are based on the flawed assumption that the values of avoided transmission investments is the full cost of the investment. The correct assumption is that the avoided transmission investment relates only to the locational element, as the majority of the cost (substations transformers etc) would be required irrespective of location. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation. Thus to allocate the full cost of an investments to embedded benefit is logically inconsistent and far from cost reflective. Transmission and distribution connected generation are treated equally under the connection policy with respect to the transmission system. The principle difference is that transmission connected generation needs to fund and provide all infrastructure to connected to the 400 kV system whereas distribution connected generation does not. In summary, this proposal has a flawed understanding of ICRP methodology and allocates the full investment cost to all embedded generation ignoring the locational effect (by granting the £20.12 additional benefit even to areas where there is a negative locational charge thus negating the signal) and also ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal. The ICRP methodology delivers a locational signal with non-locational element being picked up in the residual charge.</p>

WACM10	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.
WACM11	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1)  This alternative proposed to maintain a percentage of the embedded benefit by removing one of the larger elements of TO costs (offshore) and effectively “dampening down” the resulting charge. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system of uses of the connection of distributed generation and transmission connected generation at the same location. This proposal locks in an embedded benefit that has no relationship to cost reflective principles or charging objectives and is thus worse than the baseline.
WACM12	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM13	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM14	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM15	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate that is added to the locational values and this effective grants a £17/kw embedded benefit to all.

WACM16	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate, it is derived from a flawed understanding of ICRP methodology and allocates the full investment cost as a locational element, ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal.
WACM17	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM18	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM19	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM20	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM21	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM22	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM23	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Simon Lord	WACM3	<p>As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. This proposal that advocate an embedded benefit of a fixed charge of ~£1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational it is seen as cost reflective and we support this proposal.</p>

<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP265:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Simon lord						see attached table below reference (1), (2) and (3) applicable to many WACM's
(1) Codified fixed rate defect	<p>The CUSC baseline contains no reference to any codified netted embedded benefits but rather simply charges supplier demand at a £/kw rate based on Triad output. Any proposal that explicitly codifies a value of embedded benefit moves the CUSC from a position of being not cognisant of the issue to a position of consolidating some or all of the netting benefit into the Code and hence confirming that the benefit meets the appropriate charging objectives.</p> <p>However, to codify and therefore accept the netting regime meets the charging objectives is in fact worse than the current baseline which does not include the regime and therefore has no view on whether the regime meets the charging objectives.</p>						

	<p>Secondly, if due to circumstances the values of the netting benefit reduces to below the codified value, the benefit would remain at the codified rate this is not better than the baseline/original.</p> <p>Thirdly, as has been demonstrated to the working group using the full transport and tariff model, there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. Thus proposals that advocate an embedded benefit fixed charge of more than ~£1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational charge are not better than the baseline and original proposal as the proposed charge is not cost reflective.</p>
<p>(2)</p> <p>Grandfathering defect</p>	<p>Proposals that grandfather some or all of the historic embedded benefit to a sub-set of distribution connected generation for a number of years will result in a distortion in the market for energy and balancing services. Grandfathered generators will effectively receive funding from TNUoS customers to cover a significant proportion of the fixed costs associated with the capital investment for their assets. This will allow this class of generation to offer power and ancillary serves at much lower rates than would otherwise be the case.</p> <p>Generation that does not benefit from grandfathering arrangements and transmission connected generation (that does not receive embedded benefits) will need to include a proportion of the fixed costs in the price that they offer energy and/or balancing services this will make this class of generation relatively uneconomic. The consequence of this are that it will stifle completion in new markets where there is a need to develop flexibility and dynamic services by allowing grandfathered generation to undercut the economics of all other type of generation. Ultimately this will lead to increased cost to consumers as more efficient and cost effective options fail to materialise or withdraw from the market. This is especially concerning with balancing services where the market depth is a relative small at a few thousand MW. Thus all option that propose grandfathering are worse than the baseline/original.</p>
<p>(3)</p> <p>Delayed implementation</p>	<p>Options that gradually/delay a move from the current arrangements to the new solution of a number of years are not cost reflective during the intervening years. The System Operator has not presented any evidence of an operational need for this to the working group during any of the meetings and discussion that have taken place.</p> <p>Given that there has been no evidence presented by the SO of a need to have a gradually reduction in the benefits, these options will simple result in increased cost to consumers without an operational need and a delay a reduction in consumers</p>

defect		bills. All alternatives have at least 12 month implementation time and Ofgem can delay this to an appropriate point in time. Thus any alternative that codifies a gradual or a delayed move to a more cost reflective solution without any evidence that it will result in system security issues is not better than the baseline/original.				
Original	No	No	No	N/A	N/A	<p>No</p> <p>See attached table fails on grandfathering (2) and codified fixed rate defect (1).</p> <p>All generators unaffected by the proposal are effectively “grandfathered” at an ever increasing non-cost reflective rate that is codified into the CUSC.</p> <p>The CUSC baseline contains no reference to any codified netted embedded benefits but rather simply charges supplier demand at a £/kw rate based on Triad output. Any proposal that explicitly codifies a value of embedded benefit moves the CUSC from a position of being not cognisant of the issue to a position of consolidating some or all of the netting benefit into the Code and hence confirming that the benefit meets the appropriate charging objectives.</p> <p>However, to codify and therefore accept the netting regime meets the charging objectives is in fact worse than the current baseline which does not include the regime and therefore has no view on whether the regime meets the charging objectives</p> <p>Secondly as has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses, of the connection of distributed generation and transmission connected generation at the same location and the value is around £1.62/kw plus the locational charge.</p> <p>This proposal that advocate an embedded benefit for some classes of generation is maintained at the current rate which far exceeds a cost</p>

							reflective rate and will maintain customers' bills at an artificially high level and not deliver value to customers in the form of reduced transmission charges and ultimately bills to the end consumers.
WACM1	Yes	Yes	Yes	N/A	N/A	<b>Yes</b>	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. We support this proposal based on cost reflective principles as it will treat transmission and embedded generation connecting at the same location on a similar basis. Adding the generation residual to the embedded tariff should this go negative seems a pragmatic approach although it does bring in an element of charging recovery as opposed to cost relative methodology.
WACM2	No	Yes	Yes	N/A	N/A	No	See attached table fails on Codified fixed rate defect (1) and delayed implementation (3).  See WACM 1 comments above. In addition, unfortunately this has been packaged by National Grid with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical. To codify an embedded benefit, even for a few years, introduces a much greater defect.
WACM3	Yes	Yes	Yes	N/A	N/A	<b>Yes</b>	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. This proposal that

							advocate an embedded benefit of a fixed charge of £1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational it is seen as cost reflective and we support this proposal.
WACM4	No	Yes	Yes	N/A	N/A	No	See attached table. Fails on Codified fixed rate defect (1) and delayed implementation (3).  See WACM3 comments. In addition, unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect.
WACM5	No	Yes	Yes	N/A	N/A	No	Fails on delayed implementation (3) temporary codified fixed rate defect (1)  This is a combination of WACM 1 and WACM 3 without the delayed implantation we would support this proposal but unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table
WACM6	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1)  This option is proposes that a potentially large non cost reflected fixed element is added to the locational element to avoid a negative locational charge potentially in two zones that have limited volumes of embedded generation. Whilst this preserves the location differential it does this by

							granting a significant none cost reflective benefit of up to £17/kw (based on future projections) to all embedded generators irrespective of location that drowns out the locational signal. Other options were presented to the group that either floored or spread the tariff over a number of hours to eliminate the effect. One of these was not taken forward by the group or the saved by the chair. We have a concern that the National Grid does benefit indirectly via its BSIS scheme from embedded benefits and as such is not merely an observers in this debate
WACM7	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1) and delayed implementation (3)  See WACM 6 plus This has also been packaged up by National Grid with a three year ramp , we believe that it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table
WACM8	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.
WACM9	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1) There is no cost reflective justification for the rate.  The fixed rate value of £20.12 is based on numbers detailed in the ADE report on embedded benefit. These numbers are based on the flawed assumption that the values of avoided transmission investments is the full cost of the investment. The correct assumption is that the avoided transmission

							<p>investment relates only to the locational element, as the majority of the cost (substations transformers etc) would be required irrespective of location. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation. Thus to allocate the full cost of an investments to embedded benefit is logically inconsistent and far from cost reflective. Transmission and distribution connected generation are treated equally under the connection policy with respect to the transmission system. The principle difference is that trasnmsion connected generation needs to fund and provide all infrastructure to connected to the 400 kV system whereas distribution connected generation does not. In summary, this proposal has a flawed understanding of ICRP methodology and allocates the full investment cost to all embedded generation ignoring the locational effect (by granting the £20.12 additional benefit even to areas where there is a negative locational charge thus negating the signal) and also ignoring the fact the embedded and transmission connected generation have the same effect on the trasnmsion system and should thus see the same signal. The ICRP methodology delivers a locational signal with non-locational element being picked up in the residual charge.</p>
WACM10	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.
WACM11	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1) This alternative proposed to maintain a percentage of the embedded benefit

							by removing one of the larger elements of TO costs (offshore) and effectively “dampening down” the resulting charge. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system of uses of the connection of distributed generation and transmission connected generation at the same location. This proposal locks in an embedded benefit that has no relationship to cost reflective principles or charging objectives and is thus worse than the baseline.
WACM12	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM13	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM14	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM15	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate that is added to the locational values and this effective grants a £17/kw embedded benefit to all.
WACM16	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate, it is derived from a flawed understanding of ICRP methodology and allocates the full investment cost as a locational element, ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal.

WACM17	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM18	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Simon Lord						see attached table below reference (1), (2) and (3) applicable to many WACM's

<p>(1)</p> <p>Codified fixed rate defect</p>	<p>The CUSC baseline contains no reference to any codified netted embedded benefits but rather simply charges supplier demand at a £/kw rate based on Triad output. Any proposal that explicitly codifies a value of embedded benefit moves the CUSC from a position of being not cognisant of the issue to a position of consolidating some or all of the netting benefit into the Code and hence confirming that the benefit meets the appropriate charging objectives.</p> <p>However, to codify and therefore accept the netting regime meets the charging objectives is in fact worse than the current baseline which does not include the regime and therefore has no view on whether the regime meets the charging objectives.</p> <p>Secondly, if due to circumstances the values of the netting benefit reduces to below the codified value, the benefit would remain at the codified rate this is not better than the baseline/original.</p> <p>Thirdly, as has been demonstrated to the working group using the full transport and tariff model, there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. Thus proposals that advocate an embedded benefit fixed charge of more than ~£1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational charge are not better than the baseline and original as the charge is not cost reflective.</p>
<p>(2)</p> <p>Grandfathering defect</p>	<p>Proposals that grandfather some or all of the historic embedded benefit to a sub-set of distribution connected generation for a number of years will result in a distortion in the market for energy and balancing services. Grandfathered generators will effectively receive funding from TNUoS customers to cover a significant proportion of the fixed costs associated with the capital investment for their assets. This will allow this class of generation to offer power and ancillary services at much lower rates than would otherwise be the case.</p> <p>Generation that does not benefit from grandfathering arrangements and transmission connected generation (that does not receive embedded benefits) will need to include a proportion of the fixed costs in the price that they offer energy and/or balancing services this will make this class of generation relatively uneconomic. The consequence of this are that it will stifle completion in new markets where there is a need to develop flexibility and dynamic services by allowing grandfathered generation to undercut the economics of all other type of generation. Ultimately this will lead to increased cost to consumers as more efficient and cost effective options fail to materialise or withdraw from the market. This is especially concerning with balancing services where the market depth is a relative small at a few thousand MW. Thus all option that propose grandfathering are worse than the baseline/original.</p>

<p><b>(3)</b></p> <p>Delayed implementation defect</p>	<p>Options that gradually/delay a move from the current arrangements to the new solution of a number of years are not cost reflective during the intervening years. The System Operator has not presented any evidence of an operational need for this to the working group during any of the meetings and discussion that have taken place.</p> <p>Given that there has been no evidence presented by the SO of a need to have a gradually reduction in the benefits, these options will simple result in increased cost to consumers without an operational need and a delay a reduction in consumers bills. All alternatives have at least 12 month implementation time and Ofgem can delay this to an appropriate point in time. Thus any alternative that codifies a gradual or a delayed move to a more cost reflective solution without any evidence that it will result in system security issues is not better than the baseline/original.</p>						
Original							
WACM1	Yes	Yes	Yes	N/A	N/A	Yes	<p>As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. We support this proposal based on cost reflective principles as it will treat transmission and embedded generation connecting at the same location on a similar basis. Adding the generation residual to the embedded tariff should this go negative seems a pragmatic approach although it does bring in an element of charging recovery as opposed to cost relative methodology.</p>
WACM2	No	Yes	Yes	N/A	N/A	No	<p>See attached table fails on Codified fixed rate defect (1) and delayed implementation (3).</p> <p>See WACM 1 comments above. In addition, unfortunately this has been packaged by National Grid with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical. To codify an embedded benefit, even for a few years, introduces a much greater defect.</p>

WACM3	Yes	Yes	Yes	N/A	N/A	Yes	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. This proposal that advocate an embedded benefit of a fixed charge of £1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational it is seen as cost reflective and we support this proposal.
WACM4	No	Yes	Yes	N/A	N/A	No	See attached table. Fails on Codified fixed rate defect (1) and delayed implementation (3).  See WACM3 comments. In addition, unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect.
WACM5	No	Yes	Yes	N/A	N/A	No	Fails on delayed implementation (3) temporary codified fixed rate defect (1)  This is a combination of WACM 1 and WACM 3 without the delayed implantation we would support this proposal but unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table
WACM6	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1)  This option is proposes that a potentially large non cost reflected fixed element is added to the locational element to avoid a negative locational charge potentially in two zones that have limited volumes of embedded generation. Whilst this preserves the location differential it does this by granting a significant none cost reflective benefit of up to

							£17/kw (based on future projections) to all embedded generators irrespective of location that drowns out the locational signal. We have a concern that the National Grid does benefit indirectly via its BSIS scheme from embedded benefits and as such is not merely an observers in this debate. Other options were presented to the group that either floored or spread the tariff over a number of hours to eliminate the effect. One of these was not taken forward by the group or the saved by the chair.
WACM7	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1) and delayed implementation (3)  See WACM 6 plus This has also been packaged up by National Grid with a three year ramp , we believe that it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table
WACM8	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.
WACM9	No	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1) There is no cost reflective justification for the rate.  The fixed rate value of £20.12 is based on numbers detailed in the ADE report on embedded benefit. These numbers are based on the flawed assumption that the values of avoided transmission investments is the full cost of the investment. The correct assumption is that the avoided transmission investment relates only to the locational element, as the majority of the cost (substations transformers etc) would be required irrespective of location. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission

							<p>system uses of the connection of distributed generation and transmission connected generation. Thus to allocate the full cost of an investments to embedded benefit is logically inconsistent and far from cost reflective. Transmission and distribution connected generation are treated equally under the connection policy with respect to the transmission system. The principle difference is that transmission connected generation needs to fund and provide all infrastructure to connected to the 400 kV system whereas distribution connected generation does not. In summary, this proposal has a flawed understanding of ICRP methodology and allocates the full investment cost to all embedded generation ignoring the locational effect (by granting the £20.12 additional benefit even to areas where there is a negative locational charge thus negating the signal) and also ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal. The ICRP methodology delivers a locational signal with non-locational element being picked up in the residual charge.</p>
WACM10	No	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.</p>
WACM11	No	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1)</p> <p>This alternative proposed to maintain a percentage of the embedded benefit by removing one of the larger elements of TO costs (offshore) and effectively “dampening down” the resulting charge. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system of uses of the connection of distributed generation and transmission connected generation at the same location. This proposal locks in an embedded benefit that has no relationship to cost reflective principles or charging</p>

							objectives and is thus worse than the baseline.
WACM12	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM13	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM14	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM15	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate that is added to the locational values and this effective grants a £17/kw embedded benefit to all.
WACM16	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate, it is derived from a flawed understanding of ICRP methodology and allocates the full investment cost as a locational element, ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal.
WACM17	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM18	No	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Simon Lord	WACM3	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. This proposal that advocate an embedded benefit of a fixed charge of ~£1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational it is seen as cost reflective and we support this proposal.

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Simon lord					see attached table below reference (1), (2) and (3) applicable to many WACM's
(1) Codified fixed rate defect	<p>The CUSC baseline contains no reference to any codified netted embedded benefits but rather simply charges supplier demand at a £/kw rate based on Triad output. Any proposal that explicitly codifies a value of embedded benefit moves the CUSC from a position of being not cognisant of the issue to a position of consolidating some or all of the netting benefit into the Code and hence confirming that the benefit meets the appropriate charging objectives.</p> <p>However, to codify and therefore accept the netting regime meets the charging objectives is in fact worse than the current baseline which does not include the regime and therefore has no view on whether the regime meets the charging objectives.</p> <p>Secondly, if due to circumstances the values of the netting benefit reduces to below the codified value, the benefit would</p>					

	<p>remain at the codified rate this is not better than the baseline/original.</p> <p>Thirdly, as has been demonstrated to the working group using the full transport and tariff model, there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. Thus proposals that advocate an embedded benefit fixed charge of more than ~£1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational charge are not better than the baseline and original proposal as the proposed charge is not cost reflective.</p>
<p>(2)</p> <p>Grandfathering defect</p>	<p>Proposals that grandfather some or all of the historic embedded benefit to a sub-set of distribution connected generation for a number of years will result in a distortion in the market for energy and balancing services. Grandfathered generators will effectively receive funding from TNUoS customers to cover a significant proportion of the fixed costs associated with the capital investment for their assets. This will allow this class of generation to offer power and ancillary serves at much lower rates than would otherwise be the case.</p> <p>Generation that does not benefit from grandfathering arrangements and transmission connected generation (that does not receive embedded benefits) will need to include a proportion of the fixed costs in the price that they offer energy and/or balancing services this will make this class of generation relatively uneconomic. The consequence of this are that it will stifle completion in new markets where there is a need to develop flexibility and dynamic services by allowing grandfathered generation to undercut the economics of all other type of generation. Ultimately this will lead to increased cost to consumers as more efficient and cost effective options fail to materialise or withdraw from the market. This is especially concerning with balancing services where the market depth is a relative small at a few thousand MW. Thus all option that propose grandfathering are worse than the baseline/original.</p>
<p>(3)</p> <p>Delayed implementation defect</p>	<p>Options that gradually/delay a move from the current arrangements to the new solution of a number of years are not cost reflective during the intervening years. The System Operator has not presented any evidence of an operational need for this to the working group during any of the meetings and discussion that have taken place.</p> <p>Given that there has been no evidence presented by the SO of a need to have a gradually reduction in the benefits, these options will simple result in increased cost to consumers without an operational need and a delay a reduction in consumers bills. All alternatives have at least 12 month implementation time and Ofgem can delay this to an appropriate point in time.</p>

						Thus any alternative that codifies a gradual or a delayed move to a more cost reflective solution without any evidence that it will result in system security issues is not better than the baseline/original.
Original	No	No	N/A	N/A	No	<p>See attached table fails on grandfathering (2) and codified fixed rate defect (1).</p> <p>All generators unaffected by the proposal are effectively “grandfathered” at an ever increasing non-cost reflective rate that is codified into the CUSC.</p> <p>The CUSC baseline contains no reference to any codified netted embedded benefits but rather simply charges supplier demand at a £/kw rate based on Triad output. Any proposal that explicitly codifies a value of embedded benefit moves the CUSC from a position of being not cognisant of the issue to a position of consolidating some or all of the netting benefit into the Code and hence confirming that the benefit meets the appropriate charging objectives.</p> <p>However, to codify and therefore accept the netting regime meets the charging objectives is in fact worse than the current baseline which does not include the regime and therefore has no view on whether the regime meets the charging objectives</p> <p>Secondly as has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses, of the connection of distributed generation and transmission connected generation at the same location and the value is around £1.62/kw plus the locational charge.</p> <p>This proposal that advocates an embedded benefit for some classes of generation is maintained at the current rate which far exceeds a cost reflective rate and will maintain customers’ bills at an artificially high level and not deliver value to customers in the</p>

						form of reduced transmission charges and ultimately bills to the end consumers.
WACM1	Yes	Yes	N/A	N/A	Yes	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. We support this proposal based on cost reflective principles as it will treat transmission and embedded generation connecting at the same location on a similar basis. Adding the generation residual to the embedded tariff should this go negative seems a pragmatic approach although it does bring in an element of charging recovery as opposed to cost relative methodology.
WACM2	No	Yes	N/A	N/A	No	See attached table fails on Codified fixed rate defect (1) and delayed implementation (3).  See WACM 1 comments above. In addition, unfortunately this has been packaged by National Grid with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical. To codify an embedded benefit, even for a few years, introduces a much greater defect.
WACM3	Yes	Yes	N/A	N/A	<b>Yes</b>	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. This proposal that advocate an embedded benefit of a fixed charge of £1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational it is seen as cost reflective and we support this proposal.
WACM4	No	Yes	N/A	N/A	No	See attached table. Fails on Codified fixed rate defect (1) and delayed implementation (3).

						See WACM3 comments. In addition, unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect.
WACM5	No	Yes	N/A	N/A	No	<p>Fails on delayed implementation (3) temporary codified fixed rate defect (1)</p> <p>This is a combination of WACM 1 and WACM 3 without the delayed implantation we would support this proposal but unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table</p>
WACM6	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1)</p> <p>This option is proposes that a potentially large non cost reflected fixed element is added to the locational element to avoid a negative locational charge potentially in two zones that have limited volumes of embedded generation. Whilst this preserves the location differential it does this by granting a significant none cost reflective benefit of up to £17/kw (based on future projections) to all embedded generators irrespective of location that drowns out the locational signal. We have a concern that the National Grid does benefit indirectly via its BSIS scheme from embedded benefits and as such is not merely an observers in this debate. Other options were presented to the group that either floored or spread the tariff over a number of hours to eliminate the effect. One of these was not taken forward by the group or the saved by the chair.</p>

WACM7	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1) and delayed implementation (3)</p> <p>See WACM 6 plus This has also been packaged up by National Grid with a three year ramp , we believe that it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table</p>
WACM8	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.</p>
WACM9	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1) There is no cost reflective justification for the rate.</p> <p>The fixed rate value of £20.12 is based on numbers detailed in the ADE report on embedded benefit. These numbers are based on the flawed assumption that the values of avoided transmission investments is the full cost of the investment. The correct assumption is that the avoided transmission investment relates only to the locational element, as the majority of the cost (substations transformers etc) would be required irrespective of location. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation. Thus to allocate the full cost of an investments to embedded benefit is logically inconsistent and far from cost reflective.</p> <p>Transmission and distribution connected generation are treated equally under the connection policy with respect to the transmission system. The principle difference is that trasnmsion connected generation needs to fund and provide all infrastructure to connected to the 400 kV system whereas distribution connected generation does not. In summary, this proposal has a flawed understanding of ICRP methodology</p>

						and allocates the full investment cost to all embedded generation ignoring the locational effect (by granting the £20.12 additional benefit even to areas where there is a negative locational charge thus negating the signal) and also ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal. The ICRP methodology delivers a locational signal with non-locational element being picked up in the residual charge.
WACM10	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.
WACM11	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1)  This alternative proposed to maintain a percentage of the embedded benefit by removing one of the larger elements of TO costs (offshore) and effectively “dampening down” the resulting charge. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system of uses of the connection of distributed generation and transmission connected generation at the same location. This proposal locks in an embedded benefit that has no relationship to cost reflective principles or charging objectives and is thus worse than the baseline.
WACM12	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM13	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)

WACM14	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM15	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate that is added to the locational values and this effective grants a £17/kw embedded benefit to all.
WACM16	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate, it is derived from a flawed understanding of ICRP methodology and allocates the full investment cost as a locational element, ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal.
WACM17	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM18	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM19	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM20	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM21	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM22	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)

WACM23	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
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**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale

	Simon lord	see attached table below reference (1), (2) and (3) applicable to many WACM's
<p>(1)</p> <p>Codified fixed rate defect</p>	<p>The CUSC baseline contains no reference to any codified netted embedded benefits but rather simply charges supplier demand at a £/kw rate based on Triad output. Any proposal that explicitly codifies a value of embedded benefit moves the CUSC from a position of being not cognisant of the issue to a position of consolidating some or all of the netting benefit into the Code and hence confirming that the benefit meets the appropriate charging objectives.</p> <p>However, to codify and therefore accept the netting regime meets the charging objectives is in fact worse than the current baseline which does not include the regime and therefore has no view on whether the regime meets the charging objectives.</p> <p>Secondly, if due to circumstances the values of the netting benefit reduces to below the codified value, the benefit would remain at the codified rate this is not better than the baseline/original.</p> <p>Thirdly, as has been demonstrated to the working group using the full transport and tariff model, there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. Thus proposals that advocate an embedded benefit fixed charge of more than ~£1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational charge are not better than the baseline and original proposal as the proposed charge is not cost reflective.</p>	
<p>(2)</p> <p>Grandfathering defect</p>	<p>Proposals that grandfather some or all of the historic embedded benefit to a sub-set of distribution connected generation for a number of years will result in a distortion in the market for energy and balancing services. Grandfathered generators will effectively receive funding from TNUoS customers to cover a significant proportion of the fixed costs associated with the capital investment for their assets. This will allow this class of generation to offer power and ancillary services at much lower rates than would otherwise be the case.</p> <p>Generation that does not benefit from grandfathering arrangements and transmission connected generation (that does not receive embedded benefits) will need to include a proportion of the fixed costs in the price that they offer energy and/or balancing services this will make this class of generation relatively uneconomic. The consequence of this are that it will stifle</p>	

		completion in new markets where there is a need to develop flexibility and dynamic services by allowing grandfathered generation to undercut the economics of all other type of generation. Ultimately this will lead to increased cost to consumers as more efficient and cost effective options fail to materialise or withdraw from the market. This is especially concerning with balancing services where the market depth is a relative small at a few thousand MW. Thus all option that propose grandfathering are worse than the baseline/original.				
(3) Delayed implementation defect		Options that gradually/delay a move from the current arrangements to the new solution of a number of years are not cost reflective during the intervening years. The System Operator has not presented any evidence of an operational need for this to the working group during any of the meetings and discussion that have taken place.  Given that there has been no evidence presented by the SO of a need to have a gradually reduction in the benefits, these options will simple result in increased cost to consumers without an operational need and a delay a reduction in consumers bills. All alternatives have at least 12 month implementation time and Ofgem can delay this to an appropriate point in time. Thus any alternative that codifies a gradual or a delayed move to a more cost reflective solution without any evidence that it will result in system security issues is not better than the baseline/original.				
Original						
WACM1	Yes	Yes	N/A	N/A	Yes	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. We support this proposal based on cost reflective principles as it will treat transmission and embedded generation connecting at the same location on a similar basis. Adding the generation residual to the embedded tariff should this go negative seems a pragmatic approach although it does bring in an element of charging recovery as opposed to cost relative methodology.

WACM2	No	Yes	N/A	N/A	No	<p>See attached table fails on Codified fixed rate defect (1) and delayed implementation (3).</p> <p>See WACM 1 comments above. In addition, unfortunately this has been packaged by National Grid with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical. To codify an embedded benefit, even for a few years, introduces a much greater defect.</p>
WACM3	Yes	Yes	N/A	N/A	Yes	<p>As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. This proposal that advocate an embedded benefit of a fixed charge of £1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational it is seen as cost reflective and we support this proposal.</p>
WACM4	No	Yes	N/A	N/A	No	<p>See attached table. Fails on Codified fixed rate defect (1) and delayed implementation (3).</p> <p>See WACM3 comments. In addition, unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect.</p>
WACM5	No	Yes	N/A	N/A	No	<p>Fails on delayed implementation (3) temporary codified fixed rate defect (1)</p> <p>This is a combination of WACM 1 and WACM 3 without the delayed implantation we would support this proposal but unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded</p>

						benefit even for a few years introduces a much greater defect as described in the table
WACM6	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1)</p> <p>This option is proposes that a potentially large non cost reflected fixed element is added to the locational element to avoid a negative locational charge potentially in two zones that have limited volumes of embedded generation. Whilst this preserves the location differential it does this by granting a significant none cost reflective benefit of up to £17/kw (based on future projections) to all embedded generators irrespective of location that drowns out the locational signal. We have a concern that the National Grid does benefit indirectly via its BSIS scheme from embedded benefits and as such is not merely an observers in this debate. Other options were presented to the group that either floored or spread the tariff over a number of hours to eliminate the effect. One of these was not taken forward by the group or the saved by the chair.</p>
WACM7	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1) and delayed implementation (3)</p> <p>See WACM 6 plus This has also been packaged up by National Grid with a three year ramp , we believe that it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table</p>
WACM8	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.

WACM9	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1) There is no cost reflective justification for the rate.</p> <p>The fixed rate value of £20.12 is based on numbers detailed in the ADE report on embedded benefit. These numbers are based on the flawed assumption that the values of avoided transmission investments is the full cost of the investment. The correct assumption is that the avoided transmission investment relates only to the locational element, as the majority of the cost (substations transformers etc) would be required irrespective of location. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation. Thus to allocate the full cost of an investments to embedded benefit is logically inconsistent and far from cost reflective. Transmission and distribution connected generation are treated equally under the connection policy with respect to the transmission system. The principle difference is that transmission connected generation needs to fund and provide all infrastructure to connected to the 400 kV system whereas distribution connected generation does not. In summary, this proposal has a flawed understanding of ICRP methodology and allocates the full investment cost to all embedded generation ignoring the locational effect (by granting the £20.12 additional benefit even to areas where there is a negative locational charge thus negating the signal) and also ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal. The ICRP methodology delivers a locational signal with non-locational element being picked up in the residual charge.</p>
WACM10	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.</p>

WACM11	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1)</p> <p>This alternative proposed to maintain a percentage of the embedded benefit by removing one of the larger elements of TO costs (offshore) and effectively “dampening down” the resulting charge. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system of uses of the connection of distributed generation and transmission connected generation at the same location. This proposal locks in an embedded benefit that has no relationship to cost reflective principles or charging objectives and is thus worse than the baseline.</p>
WACM12	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM13	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM14	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM15	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate that is added to the locational values and this effective grants a £17/kw embedded benefit to all.
WACM16	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate, it is derived from a flawed understanding of ICRP methodology and allocates the full investment cost as a locational element, ignoring the fact the embedded and transmission connected generation have the same

						effect on the transmission system and should thus see the same signal.
WACM17	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM18	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM19	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM20	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM21	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM22	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM23	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)

### **Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

<b>Workgroup Member</b>	<b>BEST Option?</b>	<b>Rationale</b>
Simon Lord	WACM3	As has been demonstrated to the working group using the full transport and tariff model there is only a

		<p>marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. This proposal that advocate an embedded benefit of a fixed charge of ~£1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational it is seen as cost reflective and we support this proposal.</p>
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Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP270:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Simon lord					see attached table below reference (1), (2) and (3) applicable to many WACM's
(1) Codified fixed rate defect	<p>The CUSC baseline contains no reference to any codified netted embedded benefits but rather simply charges supplier demand at a £/kw rate based on Triad output. Any proposal that explicitly codifies a value of embedded benefit moves the CUSC from a position of being not cognisant of the issue to a position of consolidating some or all of the netting benefit into the Code and hence confirming that the benefit meets the appropriate charging objectives.</p> <p>However, to codify and therefore accept the netting regime meets the charging objectives is in fact worse than the current baseline which does not include the regime and therefore has no view on whether the regime meets the charging objectives.</p>					

	<p>Secondly, if due to circumstances the values of the netting benefit reduces to below the codified value, the benefit would remain at the codified rate this is not better than the baseline/original.</p> <p>Thirdly, as has been demonstrated to the working group using the full transport and tariff model, there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. Thus proposals that advocate an embedded benefit fixed charge of more than ~£1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational charge are not better than the baseline and original proposal as the proposed charge is not cost reflective.</p>
<p>(2)</p> <p>Grandfathering defect</p>	<p>Proposals that grandfather some or all of the historic embedded benefit to a sub-set of distribution connected generation for a number of years will result in a distortion in the market for energy and balancing services. Grandfathered generators will effectively receive funding from TNUoS customers to cover a significant proportion of the fixed costs associated with the capital investment for their assets. This will allow this class of generation to offer power and ancillary serves at much lower rates than would otherwise be the case.</p> <p>Generation that does not benefit from grandfathering arrangements and transmission connected generation (that does not receive embedded benefits) will need to include a proportion of the fixed costs in the price that they offer energy and/or balancing services this will make this class of generation relatively uneconomic. The consequence of this are that it will stifle completion in new markets where there is a need to develop flexibility and dynamic services by allowing grandfathered generation to undercut the economics of all other type of generation. Ultimately this will lead to increased cost to consumers as more efficient and cost effective options fail to materialise or withdraw from the market. This is especially concerning with balancing services where the market depth is a relative small at a few thousand MW. Thus all option that propose grandfathering are worse than the baseline/original.</p>
<p>(3)</p> <p>Delayed implementation</p>	<p>Options that gradually/delay a move from the current arrangements to the new solution of a number of years are not cost reflective during the intervening years. The System Operator has not presented any evidence of an operational need for this to the working group during any of the meetings and discussion that have taken place.</p> <p>Given that there has been no evidence presented by the SO of a need to have a gradually reduction in the benefits, these options will simple result in increased cost to consumers without an operational need and a delay a reduction in consumers</p>

defect		bills. All alternatives have at least 12 month implementation time and Ofgem can delay this to an appropriate point in time. Thus any alternative that codifies a gradual or a delayed move to a more cost reflective solution without any evidence that it will result in system security issues is not better than the baseline/original.				
Original	No	No	N/A	N/A	No	<p>See attached table fails on grandfathering (2) and codified fixed rate defect (1).</p> <p>All generators unaffected by the proposal are effectively “grandfathered” at an ever increasing non-cost reflective rate that is codified into the CUSC.</p> <p>The CUSC baseline contains no reference to any codified netted embedded benefits but rather simply charges supplier demand at a £/kw rate based on Triad output. Any proposal that explicitly codifies a value of embedded benefit moves the CUSC from a position of being not cognisant of the issue to a position of consolidating some or all of the netting benefit into the Code and hence confirming that the benefit meets the appropriate charging objectives.</p> <p>However, to codify and therefore accept the netting regime meets the charging objectives is in fact worse than the current baseline which does not include the regime and therefore has no view on whether the regime meets the charging objectives</p> <p>Secondly as has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses, of the connection of distributed generation and transmission connected generation at the same location and the value is around £1.62/kw plus the locational charge.</p> <p>This proposal that advocates an embedded benefit for some classes of generation is maintained at the current rate which far exceeds a cost reflective rate and will maintain customers’ bills at an artificially high level and not deliver value to customers in the</p>

						form of reduced transmission charges and ultimately bills to the end consumers.
WACM1	Yes	Yes	N/A	N/A	Yes	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. We support this proposal based on cost reflective principles as it will treat transmission and embedded generation connecting at the same location on a similar basis. Adding the generation residual to the embedded tariff should this go negative seems a pragmatic approach although it does bring in an element of charging recovery as opposed to cost relative methodology.
WACM2	No	Yes	N/A	N/A	No	See attached table fails on Codified fixed rate defect (1) and delayed implementation (3).  See WACM 1 comments above. In addition, unfortunately this has been packaged by National Grid with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical. To codify an embedded benefit, even for a few years, introduces a much greater defect.
WACM3	Yes	Yes	N/A	N/A	<b>Yes</b>	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. This proposal that advocate an embedded benefit of a fixed charge of £1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational it is seen as cost reflective and we support this proposal.
WACM4	No	Yes	N/A	N/A	No	See attached table. Fails on Codified fixed rate defect (1) and delayed implementation (3).

						See WACM3 comments. In addition, unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect.
WACM5	No	Yes	N/A	N/A	No	<p>Fails on delayed implementation (3) temporary codified fixed rate defect (1)</p> <p>This is a combination of WACM 1 and WACM 3 without the delayed implantation we would support this proposal but unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table</p>
WACM6	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1)</p> <p>This option is proposes that a potentially large non cost reflected fixed element is added to the locational element to avoid a negative locational charge potentially in two zones that have limited volumes of embedded generation. Whilst this preserves the location differential it does this by granting a significant none cost reflective benefit of up to £17/kw (based on future projections) to all embedded generators irrespective of location that drowns out the locational signal. We have a concern that the National Grid does benefit indirectly via its BSIS scheme from embedded benefits and as such is not merely an observers in this debate Other options were presented to the group that either floored or spread the tariff over a number of hours to eliminate the effect. One of these was not taken forward by the group or the saved by the chair.</p>

WACM7	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1) and delayed implementation (3)</p> <p>See WACM 6 plus This has also been packaged up by National Grid with a three year ramp , we believe that it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table</p>
WACM8	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.</p>
WACM9	No	No	N/A	N/A	No	<p>See attached table fails on codified fixed rate (1) There is no cost reflective justification for the rate.</p> <p>The fixed rate value of £20.12 is based on numbers detailed in the ADE report on embedded benefit. These numbers are based on the flawed assumption that the values of avoided transmission investments is the full cost of the investment. The correct assumption is that the avoided transmission investment relates only to the locational element, as the majority of the cost (substations transformers etc) would be required irrespective of location. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation. Thus to allocate the full cost of an investments to embedded benefit is logically inconsistent and far from cost reflective.</p> <p>Transmission and distribution connected generation are treated equally under the connection policy with respect to the transmission system. The principle difference is that trasnmsion connected generation needs to fund and provide all infrastructure to connected to the 400 kV system whereas distribution connected generation does not. In summary, this proposal has a flawed understanding of ICRP methodology</p>

						and allocates the full investment cost to all embedded generation ignoring the locational effect (by granting the £20.12 additional benefit even to areas where there is a negative locational charge thus negating the signal) and also ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal. The ICRP methodology delivers a locational signal with non-locational element being picked up in the residual charge.
WACM10	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.
WACM11	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1)  This alternative proposed to maintain a percentage of the embedded benefit by removing one of the larger elements of TO costs (offshore) and effectively “dampening down” the resulting charge. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system of uses of the connection of distributed generation and transmission connected generation at the same location. This proposal locks in an embedded benefit that has no relationship to cost reflective principles or charging objectives and is thus worse than the baseline.
WACM12	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM13	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)

WACM14	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM15	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate that is added to the locational values and this effective grants a £17/kw embedded benefit to all.
WACM16	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate, it is derived from a flawed understanding of ICRP methodology and allocates the full investment cost as a locational element, ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal.
WACM17	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM18	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Simon lord					see attached table below reference (1), (2) and (3) applicable to many WACM's
(1) Codified fixed rate defect	<p>The CUSC baseline contains no reference to any codified netted embedded benefits but rather simply charges supplier demand at a £/kw rate based on Triad output. Any proposal that explicitly codifies a value of embedded benefit moves the CUSC from a position of being not cognisant of the issue to a position of consolidating some or all of the netting benefit into the Code and hence confirming that the benefit meets the appropriate charging objectives.</p> <p>However, to codify and therefore accept the netting regime meets the charging objectives is in fact worse than the current baseline which does not include the regime and therefore has no view on whether the regime meets the charging objectives.</p> <p>Secondly, if due to circumstances the values of the netting benefit reduces to below the codified value, the benefit would</p>					

	<p>remain at the codified rate this is not better than the baseline/original.</p> <p>Thirdly, as has been demonstrated to the working group using the full transport and tariff model, there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. Thus proposals that advocate an embedded benefit fixed charge of more than ~£1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational charge are not better than the baseline and original proposal as the proposed charge is not cost reflective.</p>
<p>(2)</p> <p>Grandfathering defect</p>	<p>Proposals that grandfather some or all of the historic embedded benefit to a sub-set of distribution connected generation for a number of years will result in a distortion in the market for energy and balancing services. Grandfathered generators will effectively receive funding from TNUoS customers to cover a significant proportion of the fixed costs associated with the capital investment for their assets. This will allow this class of generation to offer power and ancillary serves at much lower rates than would otherwise be the case.</p> <p>Generation that does not benefit from grandfathering arrangements and transmission connected generation (that does not receive embedded benefits) will need to include a proportion of the fixed costs in the price that they offer energy and/or balancing services this will make this class of generation relatively uneconomic. The consequence of this are that it will stifle completion in new markets where there is a need to develop flexibility and dynamic services by allowing grandfathered generation to undercut the economics of all other type of generation. Ultimately this will lead to increased cost to consumers as more efficient and cost effective options fail to materialise or withdraw from the market. This is especially concerning with balancing services where the market depth is a relative small at a few thousand MW. Thus all option that propose grandfathering are worse than the baseline/original.</p>
<p>(3)</p> <p>Delayed implementation defect</p>	<p>Options that gradually/delay a move from the current arrangements to the new solution of a number of years are not cost reflective during the intervening years. The System Operator has not presented any evidence of an operational need for this to the working group during any of the meetings and discussion that have taken place</p> <p>Given that there has been no evidence presented by the SO of a need to have a gradually reduction in the benefits, these options will simple result in increased cost to consumers without an operational need and a delay a reduction in consumers bills. All alternatives have at least 12 month implementation time and Ofgem can delay this to an appropriate point in time.</p>

		Thus any alternative that codifies a gradual or a delayed move to a more cost reflective solution without any evidence that it will result in system security issues is not better than the baseline/original.				
Original						
WACM1	Yes	Yes	N/A	N/A	Yes	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. We support this proposal based on cost reflective principles as it will treat transmission and embedded generation connecting at the same location on a similar basis. Adding the generation residual to the embedded tariff should this go negative seems a pragmatic approach although it does bring in an element of charging recovery as opposed to cost relative methodology.
WACM2	No	Yes	N/A	N/A	No	See attached table fails on Codified fixed rate defect (1) and delayed implementation (3).  See WACM 1 comments above. In addition, unfortunately this has been packaged by National Grid with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical. To codify an embedded benefit, even for a few years, introduces a much greater defect.
WACM3	Yes	Yes	N/A	N/A	<b>Yes</b>	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. This proposal that advocate an embedded benefit of a fixed charge of £1.62 (the avoided Grid Supply Point reinforcement cost) plus the

						locational it is seen as cost reflective and we support this proposal.
WACM4	No	Yes	N/A	N/A	No	See attached table. Fails on Codified fixed rate defect (1) and delayed implementation (3).  See WACM3 comments. In addition, unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect.
WACM5	No	Yes	N/A	N/A	No	Fails on delayed implementation (3) temporary codified fixed rate defect (1)  This is a combination of WACM 1 and WACM 3 without the delayed implantation we would support this proposal but unfortunately this has been packaged by SSE with a three year ramp so on balance we do not support this proposal as we believe it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table
WACM6	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1)  This option is proposes that a potentially large non cost reflected fixed element is added to the locational element to avoid a negative locational charge potentially in two zones that have limited volumes of embedded generation. Whilst this preserves the location differential it does this by granting a significant none cost reflective benefit of up to £17/kw (based on future projections) to all embedded generators irrespective of location that drowns out the locational signal. We have a concern that the National Grid does benefit indirectly via its BSIS scheme from embedded benefits and as such is not merely an observers in this debate. Other options were presented to the group that either floored or spread the tariff over a number of hours to

						eliminate the effect. One of these was not taken forward by the group or the saved by the chair.
WACM7	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1) and delayed implementation (3)  See WACM 6 plus This has also been packaged up by National Grid with a three year ramp , we believe that it is important to address the defect as soon as is practical and to codify an embedded benefit even for a few years introduces a much greater defect as described in the table
WACM8	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.
WACM9	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1) There is no cost reflective justification for the rate.  The fixed rate value of £20.12 is based on numbers detailed in the ADE report on embedded benefit. These numbers are based on the flawed assumption that the values of avoided transmission investments is the full cost of the investment. The correct assumption is that the avoided transmission investment relates only to the locational element, as the majority of the cost (substations transformers etc) would be required irrespective of location. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation. Thus to allocate the full cost of an investments to embedded benefit is logically inconsistent and far from cost reflective. Transmission and distribution connected generation are treated equally under the connection policy

						with respect to the transmission system. The principle difference is that transmission connected generation needs to fund and provide all infrastructure to connected to the 400 kV system whereas distribution connected generation does not. In summary, this proposal has a flawed understanding of ICRP methodology and allocates the full investment cost to all embedded generation ignoring the locational effect (by granting the £20.12 additional benefit even to areas where there is a negative locational charge thus negating the signal) and also ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal. The ICRP methodology delivers a locational signal with non-locational element being picked up in the residual charge.
WACM10	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1). There is no cost reflective justification for the rate.
WACM11	No	No	N/A	N/A	No	See attached table fails on codified fixed rate (1)  This alternative proposed to maintain a percentage of the embedded benefit by removing one of the larger elements of TO costs (offshore) and effectively “dampening down” the resulting charge. As has been demonstrated to the working group using the full transport and tariff model there is no difference between the cost to the transmission system of uses of the connection of distributed generation and transmission connected generation at the same location. This proposal locks in an embedded benefit that has no relationship to cost reflective principles or charging objectives and is thus worse than the baseline.
WACM12	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)

WACM13	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM14	No	No	N/A	N/A	No	See attached table fails on grandfathering (2)
WACM15	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate that is added to the locational values and this effective grants a £17/kw embedded benefit to all.
WACM16	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1) There is no cost reflective justification for the rate, it is derived from a flawed understanding of ICRP methodology and allocates the full investment cost as a locational element, ignoring the fact the embedded and transmission connected generation have the same effect on the transmission system and should thus see the same signal.
WACM17	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)
WACM18	No	No	N/A	N/A	No	See attached table fails on grandfathering (2) and codified fixed rate (1)

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
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<b>Simon Lord</b>	WACM3	As has been demonstrated to the working group using the full transport and tariff model there is only a marginal difference between the cost to the transmission system uses of the connection of distributed generation and transmission connected generation at the same location. This proposal that advocate an embedded benefit of a fixed charge of ~£1.62 (the avoided Grid Supply Point reinforcement cost) plus the locational it is seen as cost reflective and we support this proposal.
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
Workgroup member: Laurence Barrett							
Original	No	No	No	Neutral	No	N	Introduces discrimination within embedded generation which could inhibit competition. It does not improve the cost reflectivity of the avoided costs for either new or existing embedded generation and does not appropriately consider the developments in the system as the changes are not based upon any analysis, reflecting its initial design as a temporary fix only.
WACM1	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. It does not appropriately consider the developments in the system as the

							changes are not based upon any analysis.
WACM2	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM3	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM4	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM5	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.

WACM6	Yes	Yes	No	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal.
WACM7	Yes	Yes	No	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal. The addition of a 3 year phasing would also give more time for the market to adjust and therefore avoid unintended consequences.
WACM8	Yes	Yes	Yes	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst not based upon a comprehensive review, it is based upon analysis which presents a logical case for the proposed value being more cost-reflective.
WACM9	Yes	Yes	Neutral	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst not based upon a comprehensive review, it is based upon analysis which presents a logical case for the

							proposed value being more cost-reflective. Recognises the need for a more robust analysis.
WACM10	Yes	Yes	No	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and recognises that it is better to cap the embedded benefit until more robust analysis can be completed. Avoids a sudden, unjustified change to embedded benefits.
WACM11	Yes	Yes	No	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and recognises that removing the offshore cost recovery elements from embedded benefits would make them more cost reflective. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM12	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.

WACM13	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM14	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM15	Yes	Yes	No	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal.
WACM16	Yes	Yes	No	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is

							and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal.
WACM17	Yes	Yes	No	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal.
WACM18	Yes	Yes	No	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal.
WACM19	No	No	No	Neutral	No	N	Introduces discrimination within embedded generation which could inhibit competition. It does not improve the cost reflectivity of the avoided costs for new embedded generation although it improves it for existing by mitigating the unsustainable forecast increases. It does not

							appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM20	No	No	No	Neutral	No	N	Introduces discrimination within embedded generation which could inhibit competition although this grandfathering eventually ceases. It does not improve the cost reflectivity of the avoided costs for new embedded generation although it improves it for existing in the short term only by mitigating the unsustainable forecast increases. It does not appropriately consider the developments in the system as the changes are not based upon any analysis, although it is recognised that this is a temporary solution.
WACM21	Yes	Yes	No	Neutral	No	Y	Introduces discrimination between embedded generation although this eventually falls away. Capping the embedded benefit for existing embedded generators and applying a re-based locational value to new embedded generation is likely to be more cost-reflective than the current baseline. It does not appropriately consider the developments in the system as the changes are not based upon any analysis, although it is

							recognised that this is a temporary solution.
WACM22	No	Yes	No	Neutral	No	N	Introduces discrimination between embedded generation although this is somewhat mitigated by the extended COD definition. Using just the locational charge for new embedded generation is unlikely to better reflect costs saved although capping the level for existing embedded generation is likely to be more cost-reflective. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM23	Yes	Yes	No	Neutral	No	Y	Introduces discrimination between embedded generation although this eventually falls away. Likely to be more cost reflective than current charges as it recognises that there are elements currently included within the demand residual which are cost-reflective. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member: Laurence Barrett						
Original							
WACM1	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM2	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.

WACM3	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM4	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM5	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM6	Yes	Yes	Neutral	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.

WACM7	Yes	Yes	Neutral	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM8	Yes	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM9	Yes	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM10	Yes	Yes	Neutral	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM11	Yes	Yes	Neutral	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so

							reduces the distortion created by the original and does not introduce discrimination.
WACM12	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM13	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM14	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM15	Yes	Yes	Neutral	Neutral	Neutral	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation

							compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM16	Yes	Yes	Yes	Neutral	Neutral	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not introduce discrimination.
WACM17	Yes	Yes	Yes	Neutral	Neutral	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not introduce discrimination.
WACM18	Yes	Yes	Neutral	Neutral	Neutral	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not introduce discrimination.
WACM19	Yes	Yes	Neutral	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original.
WACM20	Yes	Yes	Neutral	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation

							compared with the original proposal and so reduces the distortion created by the original.
WACM21	Yes	Yes	Neutral	Neutral	Neutral	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original.
WACM22	Yes	Yes	Neutral	Neutral	Yes	Y	Extending the COD definition for new embedded generation is likely to reduce the distortion introduced by the original proposal.
WACM23	Yes	Yes	Yes	Neutral	Neutral	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member: Laurence Barrett</p>	<p>WACM 8</p>	<p>Continues to treat all embedded generation in a non-discriminatory way allowing effective competition and minimising the additional administrative burden. Whilst not based upon a comprehensive review which we believe would be the best approach, it is based upon analysis which presents a logical case for the proposed value being more cost-reflective and hence it is likely to improve cost reflectivity from the currently spiralling baseline.</p>

Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	<b>Workgroup member: Laurence Barrett</b>						
Original	No	No	No	Neutral	No	N	Introduces discrimination within embedded generation which could inhibit competition. It does not improve the cost reflectivity of the embedded benefit for either CM or non-CM embedded generation and does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM1	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.

WACM2	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM3	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM4	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM5	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM6	Yes	Yes	No	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst a full analysis has

							not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal.
WACM7	Yes	Yes	No	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal. The addition of a 3 year phasing would also give more time for the market to adjust and therefore avoid unintended consequences.
WACM8	Yes	Yes	Yes	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst not based upon a comprehensive review, it is based upon analysis which presents a logical case for the proposed value being more cost-reflective.
WACM9	Yes	Yes	Neutral	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst not based upon a comprehensive review, it is based upon analysis which presents a logical case for the proposed value being more cost-reflective. Recognises the

							need for a more robust analysis.
WACM10	Yes	Yes	No	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and recognises that it is better to cap the embedded benefit until more robust analysis can be completed. Avoids a sudden, unjustified change to embedded benefits.
WACM11	Yes	Yes	No	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and recognises that removing the offshore cost recovery elements from embedded benefits would make them more cost reflective. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM12	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM13	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will

							inhibit competition. Introduces a new discrimination and administrative complexity with little benefit. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM14	No	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit. It does not appropriately consider the developments in the system as the changes are not based upon any analysis.
WACM15	Yes	Yes	No	Neutral	Yes	Y	Creates some new discrimination (for 2014/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal.
WACM16	Yes	Yes	No	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are

							likely to represent a more cost-reflective signal.
WACM17	Yes	Yes	No	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal.
WACM18	Yes	Yes	No	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member: Laurence Barrett						
Original							
WACM1	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM2	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.

WACM3	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM4	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM5	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM6	Yes	Yes	Neutral	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not introduce discrimination.
WACM7	Yes	Yes	Neutral	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not

							introduce discrimination. The phasing is also likely to avoid sudden step changes in the market.
WACM8	Yes	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not introduce discrimination.
WACM9	Yes	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not introduce discrimination.
WACM10	Yes	Yes	Neutral	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not introduce discrimination.
WACM11	Yes	Yes	Neutral	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not introduce discrimination.
WACM12	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation

							compared to the original proposal which would create greater distortions in the market.
WACM13	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM14	No	No	Neutral	Neutral	Yes	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM15	Yes	Yes	Neutral	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not introduce discrimination.
WACM16	Yes	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not introduce discrimination.

WACM17	Yes	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not introduce discrimination.
WACM18	Yes	Yes	Neutral	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and does not introduce discrimination.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member: Laurence Barrett	WACM 8	Continues to treat all embedded generation in a non-discriminatory way allowing effective competition and minimising the additional administrative burden. Whilst not based upon a comprehensive review which we believe would be the best approach, it is based upon analysis which presents a logical case for the proposed value being more cost-reflective and hence it is likely to improve cost reflectivity from the currently spiralling baseline.

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Workgroup member: Laurence Barrett						
Original	No	No	Neutral	No	N	Introduces discrimination within embedded generation which could inhibit competition and increase administrative complexity with little benefit.
WACM1	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition and increase administrative complexity with little benefit.
WACM2	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition and increase administrative complexity with little benefit.

WACM3	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition and increase administrative complexity with little benefit.
WACM4	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition and increase administrative complexity with little benefit.
WACM5	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition and increase administrative complexity with little benefit.
WACM6	Yes	Yes	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
WACM7	Yes	Yes	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the

						spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition. The addition of a 3 year phasing would also give more time for the market to adjust and therefore avoid unintended consequences.
WACM8	Yes	Yes	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst not based upon a comprehensive review, it is based upon analysis which presents a logical case for the proposed value being more cost-reflective which is likely to improve competition.
WACM9	Yes	Yes	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst not based upon a comprehensive review, it is based upon analysis which presents a logical case for the proposed value being more cost-reflective which is likely to improve competition. Recognises the need for a more robust analysis.
WACM10	Yes	Yes	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and recognises that it is better to cap the embedded benefit until more robust analysis can be completed. Avoids a sudden, unjustified change to embedded benefits and

						hence overall is likely to improve competition.
WACM11	<b>Yes</b>	<b>Yes</b>	<b>Neutral</b>	<b>Yes</b>	<b>Y</b>	Continues to treat embedded generation in a non-discriminatory way and recognises that it is better to cap the embedded benefit until more robust analysis can be completed. Avoids a sudden, unjustified change to embedded benefits and hence overall is likely to improve competition.
WACM12	<b>No</b>	<b>No</b>	<b>Neutral</b>	<b>No</b>	<b>N</b>	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit.
WACM13	<b>No</b>	<b>No</b>	<b>Neutral</b>	<b>No</b>	<b>N</b>	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit.
WACM14	<b>No</b>	<b>No</b>	<b>Neutral</b>	<b>No</b>	<b>N</b>	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit.

WACM15	Yes	Yes	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
WACM16	Yes	Yes	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
WACM17	Yes	Yes	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
WACM18	Yes	Yes	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is

						and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
WACM19	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit.
WACM20	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit.
WACM21	Yes	Yes	Neutral	Yes	Y	Introduces discrimination between embedded generation although this eventually falls away. Capping the embedded benefit for existing embedded generators and applying a re-based locational value to new embedded generation is likely to be more cost-reflective than the current baseline which is likely to improve competition.
WACM22	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will

						inhibit competition. Introduces a new discrimination and administrative complexity with little benefit.
WACM23	Yes	Yes	Neutral	Yes	Y	Introduces discrimination between embedded generation although this eventually falls away. Capping the embedded benefit for existing embedded generators and applying a re-based locational value to new embedded generation is likely to be more cost-reflective than the current baseline which is likely to improve competition.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					

Original						
WACM1	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM2	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM3	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM4	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal

						which would create greater distortions in the market.
WACM5	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM6	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM7	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM8	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and

						does not introduce discrimination.
WACM9	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM10	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM11	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM12	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.

WACM13	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM14	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM15	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM16	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.

WACM17	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM18	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM19	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original.
WACM20	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original.
WACM21	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original.

WACM22	Yes	Yes	Neutral	Yes	Y	Extending the COD definition for new embedded generation is likely to reduce the distortion introduced by the original proposal.
WACM23	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member: Laurence Barrett	WACM 8	Continues to treat all embedded generation in a non-discriminatory way allowing effective competition and minimising the additional administrative burden. Whilst not based upon a comprehensive review which we believe would be the best approach, it is based upon analysis which presents a logical case for the proposed value being more cost-reflective and hence it is likely to improve cost reflectivity from the currently spiralling

		baseline.
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Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP270:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Workgroup member: Laurence Barrett						
Original	No	No	Neutral	No	N	Introduces discrimination within embedded generation which could inhibit competition and increase administrative complexity with little benefit.
WACM1	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition and increase administrative complexity with little benefit.
WACM2	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition and increase administrative complexity with little benefit.

WACM3	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition and increase administrative complexity with little benefit.
WACM4	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition and increase administrative complexity with little benefit.
WACM5	No	No	Neutral	No	N	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition and increase administrative complexity with little benefit.
WACM6	Yes	Yes	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
WACM7	Yes	Yes	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the

						spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
WACM8	Yes	Yes	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
WACM9	Yes	Yes	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst not based upon a comprehensive review, it is based upon analysis which presents a logical case for the proposed value being more cost-reflective which is likely to improve competition. Recognises the need for a more robust analysis.
WACM10	Yes	Yes	Neutral	Yes	Y	Continues to treat embedded generation in a non-discriminatory way and whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.

WACM11	<b>Yes</b>	<b>Yes</b>	<b>Neutral</b>	<b>Yes</b>	<b>Y</b>	Continues to treat embedded generation in a non-discriminatory way and whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
WACM12	<b>No</b>	<b>No</b>	<b>Neutral</b>	<b>No</b>	<b>N</b>	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit.
WACM13	<b>No</b>	<b>No</b>	<b>Neutral</b>	<b>No</b>	<b>N</b>	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit.
WACM14	<b>No</b>	<b>No</b>	<b>Neutral</b>	<b>No</b>	<b>N</b>	Proposed charge is unlikely to be fully reflective of the costs and therefore it is likely that this will inhibit competition. Introduces a new discrimination and administrative complexity with little benefit.

WACM15	Yes	Yes	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
WACM16	Yes	Yes	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
WACM17	Yes	Yes	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
WACM18	Yes	Yes	Neutral	Yes	Y	Creates some new discrimination (for 2104/15 CM/CfD) and administrative complexity. Whilst a full analysis has not been completed on what is

						and isn't cost reflective, the proposed charges will address the spiralling embedded benefits and are likely to represent a more cost-reflective signal which is likely to improve competition.
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## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original						
WACM1	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the

						market.
WACM2	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM3	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM4	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM5	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal

						which would create greater distortions in the market.
WACM6	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM7	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM8	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM9	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.

WACM10	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM11	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM12	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM13	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.

WACM14	No	No	Neutral	No	N	Whilst this alternative does not introduce the same discrimination as the original proposal, overall it is likely to undervalue embedded generation compared to the original proposal which would create greater distortions in the market.
WACM15	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM16	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM17	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
WACM18	Yes	Yes	Neutral	Yes	Y	Is likely to be more cost reflective of the overall benefits that result from embedded generation

						compared with the original proposal and so reduces the distortion created by the original and does not introduce discrimination.
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### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member: Laurence Barrett	WACM 8	Continues to treat all embedded generation in a non-discriminatory way allowing effective competition and minimising the additional administrative burden. Whilst not based upon a comprehensive review which we believe would be the best approach, it is based upon analysis which presents a logical case for the proposed value being more cost-reflective and hence it is likely to improve cost reflectivity from the currently spiralling baseline.

<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Jeremy Taylor for Graz MacDonald						
Original	No	No	No	No	No	No	<p>This is obviously self-serving nonsense that will ensure the lights go out. What a ridiculous time, in the face of a forthcoming capacity crunch, to propose taking away 40-year-old incentives to generate during peak periods!</p> <p>What would Ofgem say to people whose relations have died of cold during winter blackouts? – ‘Sorry but the national transmission charging methodology just wasn’t perfectly cost-reflective so we switched off an essential source of peak power’?</p> <p>Are Ofgem actually going to take a chance on having enough Transmission-connected capacity</p>

							<p>in two or three years' time to cover for lost peaking, when one of the only two new-build Capacity Market CCGT projects is failing?</p> <p>There has been barely any objective analysis on the proposals, save for one detailed study by leading energy analysts Enappsys. That demonstrated that removing Triad payments during the foreseeable future will cause blackouts and higher electricity prices for consumers.</p> <p>The grandfathering of Triad payments is fair for those who have been bold enough to go out and build new plant, and is fair to their banks and investors. The removal of Triads from such generators would certainly demonstrate to the wider electricity market that at the centre of the industry there is a complete disregard for stability and investability. Grandfathering, however, will look unbalanced and unfair to some in two year's time, meaning another challenge to the system.</p>
WACM1							
WACM2							

WACM3							
WACM4							
WACM5							
WACM6							
WACM7							
WACM8							
WACM9							
WACM10	Yes	Yes	Yes	Yes	Yes	Yes	<p><b>This proposition is from the UK's leading builder of gas-fired peaking plant. In fact practically the only builder.</b></p> <p><b>By fixing Triad payments the only matter that all the panel members agree on is fixed – the spiralling of Triad payments.</b></p> <p><b>The proposed price is that predicted by National Grid following a consultation three years back in which practically every single party supported a</b></p>

							<p>continuance of Triads, demonstrating that all the new objections to Triads are self-serving, however cleverly they might be couched. Everyone agreed to this price when they didn't think it would affect them.</p> <p>The proposed price, being next winter's, ensures that stability and investability, the foundations of power-plant construction, are maintained.</p> <p>The proposed price represents excellent value for money for consumers compared to the calculated Value of Lost Load. And if Triads are removed, load will be lost.</p>
WACM11							
WACM12							
WACM13							
WACM14							

WACM15							
WACM16							
WACM17							
WACM18							
WACM19							
WACM20							
WACM21							
WACM22							
WACM23							

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Jeremy Taylor						
Original							
WACM1	No	No	No	No	No	No	<p><b>This, and all the other proposals to remove Triads, are obviously self-serving nonsense that will ensure the lights go out. What a ridiculous time, in the face of a forthcoming capacity crunch, to propose taking away 40-year-old incentives to generate during peak periods!</b></p> <p><b>What would Ofgem say to people whose relations have died of cold during winter blackouts? – ‘Sorry but the national transmission charging methodology just wasn’t perfectly cost-reflective so we switched off an essential source</b></p>

						<p>of peak power’?</p> <p>Are Ofgem actually going to take a chance on having enough Transmission-connected capacity in two or three years’ time to cover for lost peaking, when one of the only two new-build Capacity Market CCGT projects is failing?</p> <p>There has been barely any objective analysis on the proposals, save for one detailed study by leading energy analysts Enappsys. That demonstrated that removing Triad payments during the foreseeable future will cause blackouts and higher electricity prices for consumers.</p> <p>The grandfathering of Triad payments is fair for those who have been bold enough to go out and build new plant, and is fair to their banks and investors. The removal of Triads from such generators would certainly demonstrate to the wider electricity market that at the centre of the industry there is a complete disregard for stability and investability. Grandfathering, however, will look unbalanced and unfair to some in two year’s time, meaning another challenge to the system.</p>
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WACM2							
WACM3							
WACM4							
WACM5							
WACM6							
WACM7							
WACM8							
WACM9							
WACM10	Yes	Yes	Yes	Yes	Yes	Yes	<p><b>This proposition is from the UK's leading builder of gas-fired peaking plant. In fact practically the only builder.</b></p> <p><b>By fixing Triad payments the only matter that all the panel members agree on is fixed – the spiralling of Triad payments.</b></p>

							<p>The proposed price is that predicted by National Grid following a consultation three years back in which practically every single party supported a continuance of Triads, demonstrating that all the new objections to Triads are self-serving, however cleverly they might be couched. Everyone agreed to this price when they didn't think it would affect them.</p> <p>The proposed price, being next winter's, ensures that stability and investability, the foundations of power-plant construction, are maintained.</p> <p>The proposed price represents excellent value for money for consumers compared to the calculated Value of Lost Load. And if Triads are removed, load will be lost.</p>
WACM11							
WACM12							
WACM13							

WACM14							
WACM15							
WACM16							
WACM17							
WACM18							
WACM19							
WACM20							
WACM21							
WACM22							
WACM23							

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Jeremy Taylor for Graz MacDonald	WACAM 10	It fixes the problem, it will keep the lights on, it will maintain stability and it will benefit consumers.

Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP265:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	Workgroup member: Jeremy Taylor for Graz MacDonald						
Original	No	No	No	No	No	No	<p>This is obviously self-serving nonsense that will ensure the lights go out. What a ridiculous time, in the face of a forthcoming capacity crunch, to propose taking away 40-year-old incentives to generate during peak periods!</p> <p>What would Ofgem say to people whose relations have died of cold during winter blackouts? – ‘Sorry but the national transmission charging methodology just wasn’t perfectly cost-reflective so we switched off an essential source of peak power’?</p> <p>Are Ofgem actually going to take a chance on having enough Transmission-connected capacity</p>

							<p>in two or three years' time to cover for lost peaking, when one of the only two new-build Capacity Market CCGT projects is failing?</p> <p>There has been barely any objective analysis on the proposals, save for one detailed study by leading energy analysts Enappsys. That demonstrated that removing Triad payments during the foreseeable future will cause blackouts and higher electricity prices for consumers.</p> <p>The grandfathering of Triad payments is fair for those who have been bold enough to go out and build new plant, and is fair to their banks and investors. The removal of Triads from such generators would certainly demonstrate to the wider electricity market that at the centre of the industry there is a complete disregard for stability and investability. Grandfathering, however, will look unbalanced and unfair to some in two year's time, meaning another challenge to the system.</p>
WACM1							
WACM2							

WACM3							
WACM4							
WACM5							
WACM6							
WACM7							
WACM8							
WACM9							
WACM10	Yes	Yes	Yes	Yes	Yes	Yes	<p><b>This proposition is from the UK's leading builder of gas-fired peaking plant. In fact practically the only builder.</b></p> <p><b>By fixing Triad payments the only matter that all the panel members agree on is fixed – the spiralling of Triad payments.</b></p> <p><b>The proposed price is that predicted by National Grid following a consultation three years back in which practically every single party supported a</b></p>

							<p>continuance of Triads, demonstrating that all the new objections to Triads are self-serving, however cleverly they might be couched. Everyone agreed to this price when they didn't think it would affect them.</p> <p>The proposed price, being next winter's, ensures that stability and investability, the foundations of power-plant construction, are maintained.</p> <p>The proposed price represents excellent value for money for consumers compared to the calculated Value of Lost Load. And if Triads are removed, load will be lost.</p>
WACM11							
WACM12							
WACM13							
WACM14							

WACM15							
WACM16							
WACM17							
WACM18							

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member: Jeremy Taylor for Graz MacDonald						
Original							
WACM1	No	No	No	No	No	No	<p>This, and all the other proposals to remove Triads, are obviously self-serving nonsense that will ensure the lights go out. What a ridiculous time, in the face of a forthcoming capacity crunch, to propose taking away 40-year-old incentives to generate during peak periods!</p> <p>What would Ofgem say to people whose relations have died of cold during winter blackouts? – ‘Sorry but the national transmission charging methodology just wasn’t perfectly cost-reflective so we switched off an essential source</p>

						<p>of peak power’?</p> <p>Are Ofgem actually going to take a chance on having enough Transmission-connected capacity in two or three years’ time to cover for lost peaking, when one of the only two new-build Capacity Market CCGT projects is failing?</p> <p>There has been barely any objective analysis on the proposals, save for one detailed study by leading energy analysts Enappsys. That demonstrated that removing Triad payments during the foreseeable future will cause blackouts and higher electricity prices for consumers.</p> <p>The grandfathering of Triad payments is fair for those who have been bold enough to go out and build new plant, and is fair to their banks and investors. The removal of Triads from such generators would certainly demonstrate to the wider electricity market that at the centre of the industry there is a complete disregard for stability and investability. Grandfathering, however, will look unbalanced and unfair to some in two year’s time, meaning another challenge to the system.</p>
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WACM2							
WACM3							
WACM4							
WACM5							
WACM6							
WACM7							
WACM8							
WACM9							
WACM10	Yes		Yes	Yes		Yes	<p><b>This proposition is from the UK's leading builder of gas-fired peaking plant. In fact practically the only builder.</b></p> <p><b>By fixing Triad payments the only matter that all the panel members agree on is fixed – the spiralling of Triad payments.</b></p>

		Yes			Yes		<p>The proposed price is that predicted by National Grid following a consultation three years back in which practically every single party supported a continuance of Triads, demonstrating that all the new objections to Triads are self-serving, however cleverly they might be couched. Everyone agreed to this price when they didn't think it would affect them.</p> <p>The proposed price, being next winter's, ensures that stability and investability, the foundations of power-plant construction, are maintained.</p> <p>The proposed price represents excellent value for money for consumers compared to the calculated Value of Lost Load. And if Triads are removed, load will be lost.</p>
WACM11							
WACM12							
WACM13							

WACM14							
WACM15							
WACM16							
WACM17							
WACM18							

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member Jeremy Taylor for Graz MacDonald	WACM 10	It fixes the problem, it will keep the lights on, it will maintain stability and it will benefit consumers.

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP264:**

**Votes 1 & 2 : Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline and the proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Chris Granby						
Original	n	n	n	n	n	n	Does not offer a solution to the issue. Introduces

							grandfathering
WACM1	n	n	n	n	n	n	Takes no account of embedded contributions to the grid
WACM2	N	N	N	N	N	N	Takes no account of embedded contributions to the grid
WACM3	N	N	N	N	N	N	Takes no account of embedded contributions to the grid
WACM4	N	N	N	N	N	N	Takes no account of embedded contributions to the grid
WACM5	N	N	N	N	N	N	Takes no account of embedded contributions to the grid
WACM6	N	N	N	N	N	N	Takes no account of embedded contributions to the grid
WACM7	N	N	N	N	N	N	Takes no account of embedded contributions to the grid
WACM8	n	n	n	n	n	n	Introduces grandfathering
WACM9	n	n	n	n	n	n	Introduces grandfathering
WACM10	N	N	N	N	N	N	No rationale for the level of support chosen
WACM11	y	n	n	n	y	Y	Attempts to address the underlying issue
WACM12	NO						Overly complex, only aimed at a small sub set of the users
WACM13							

WACM14								
WACM15								
WACM16								
WACM17								
WACM18								
WACM19	n	n	n	n	n	n		
WACM20	y	n	n	n	y	Yes	Facilitates competition, introduces a sensible rate for new embedded	
WACM21	n	n	n	n	n	No	Introduces grandfathering	
WACM22	y	n	n	n	y	Yes	Enable more effective competition	
WACM23	y	n	n	n	y	yes	Facilitates competition, introduces a sensible rate for new embedded	

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM8	It is one of the few that has some analysis and has attempted to quantify the problem

Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1 and 2 : Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline and the original proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	<b>Christopher Granby</b>						
Original	n	n	n	n	n	n	Discriminatory, does not identify or solve any issues
WACM1	N	N	N	N	N	N	Makes no attempt to quantify the value of embedded generation
WACM2	N	N	N	N	N	N	Makes no attempt to quantify the value of embedded generation
WACM3	N	N	N	N	N	N	Makes no attempt to quantify the value of embedded generation
WACM4	N	N	N	N	N	N	Makes no attempt to quantify the value of

							embedded generation
WACM5	N	N	N	N	N	N	Makes no attempt to quantify the value of embedded generation
WACM6	N	N	N	N	N	N	Makes no attempt to quantify the value of embedded generation
WACM7	n	N	N	N	N	N	Makes no attempt to quantify the value of embedded generation
WACM8	y	n	n	n	y	y	Attempts to address the perceived problem
WACM9	y	n	n	n	y	y	Attempts to address the perceived problem
WACM10	y	n	n	n	n	n	No serious rationale behind rates chosen
WACM11	y	n	n	n	y	y	Attempts to address the underlying issues with the staus quo
WACM12	NO						Introduces complexity, favours specific generators
WACM13							

WACM14
WACM15NO
WACM16
WACM17
WACM18


**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM 8	Is one of the few mods which actually attempt some analysis.

<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	<b>Rob Marshall – National Grid</b>						
Original	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM1	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>Does not introduce discrimination between embedded generators</li> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Low value of X distorts the cost reflective locational signal</li> <li>Creates a significant drop in tariffs in first year of implementation</li> </ul>
WACM2	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>Does not introduce discrimination between embedded generators</li> </ul>

							<ul style="list-style-type: none"> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> </ul>
WACM3	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> <li>• Creates a significant drop in tariffs in first year of implementation</li> </ul>
WACM4	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> </ul>
WACM5	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> </ul>
WACM6	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> </ul>

							<ul style="list-style-type: none"> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Uses the indicative locational signal to represent the value of embedded generation avoiding the cost of network reinforcement</li> </ul>
WACM7	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>Does not introduce discrimination between embedded generators</li> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Uses the indicative locational signal to represent the value of embedded generation avoiding the cost of network reinforcement</li> </ul>
WACM8	N	Y	N	N	Y	N	<ul style="list-style-type: none"> <li>Does not introduce discrimination between embedded generators</li> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM9	N	Y	N	N	Y	N	<ul style="list-style-type: none"> <li>Does not introduce discrimination between embedded generators</li> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>

WACM10	N	Y	N	N	Y	N	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM11	N	Y	N	N	Y	N	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM12	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM13	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM14	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective</li> </ul>

							<p>of their use of the system</p> <ul style="list-style-type: none"> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM15	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM16	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM17	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM18	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM19	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> </ul>

							<ul style="list-style-type: none"> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM20	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM21	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM22	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM23	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Insert name}						
Original							
WACM1	Y	Y	N	N	Y	Y	Same as above
WACM2	Y	Y	N	N	Y	Y	Same as above
WACM3	Y	Y	N	N	Y	Y	Same as above
WACM4	Y	Y	N	N	Y	Y	Same as above

WACM5	Y	Y	N	N	Y	Y	Same as above
WACM6	Y	Y	N	N	Y	Y	Same as above
WACM7	Y	Y	N	N	Y	Y	Same as above
WACM8	Y	Y	N	N	Y	N	Same as above
WACM9	Y	Y	N	N	Y	N	Same as above
WACM10	Y	Y	N	N	Y	N	Same as above
WACM11	Y	Y	N	N	Y	N	Same as above
WACM12	N	N	N	N	N	N	Same as above
WACM13	N	N	N	N	N	N	Same as above
WACM14	N	N	N	N	N	N	Same as above
WACM15	N	N	N	N	N	N	Same as above

WACM16	N	N	N	N	N	N	Same as above
WACM17	N	N	N	N	N	N	Same as above
WACM18	N	N	N	N	N	N	Same as above
WACM19	N	N	N	N	N	N	Same as above
WACM20	N	N	N	N	N	N	Same as above
WACM21	N	N	N	N	N	N	Same as above
WACM22	N	N	N	N	N	N	Same as above
WACM23	N	N	N	N	N	N	Same as above

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM 6	<ul style="list-style-type: none"><li>• Does not introduce discrimination between embedded generators</li><li>• Increases cost reflectivity by removing the non cost reflective demand residual</li><li>• Uses the indicative locational signal to represent the value of embedded generation avoiding the cost of network reinforcement</li><li>• Efficient methodology to implement</li></ul>

<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP265:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
<b>Rob Marshall – National Grid</b>							
Original	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>A high burden to administer the groups of affected and grandfathered</li> <li>Negative charges will signal to embedded generation not to generate at system peak</li> </ul>
WACM1	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>Does not introduce discrimination between embedded generators</li> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Low value of X distorts the cost reflective locational signal</li> <li>Creates a significant drop in tariffs in first year of implementation</li> </ul>

WACM2	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> </ul>
WACM3	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> <li>• Creates a significant drop in tariffs in first year of implementation</li> </ul>
WACM4	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> </ul>
WACM5	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> </ul>

WACM6	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Uses the indicative locational signal to represent the value of embedded generation avoiding the cost of network reinforcement</li> </ul>
WACM7	Y	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Uses the indicative locational signal to represent the value of embedded generation avoiding the cost of network reinforcement</li> </ul>
WACM8	N	Y	N	N	Y	N	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM9	N	Y	N	N	Y	N	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Methodology of deriving the value of X is not</li> </ul>

							reflective of the effects of embedded generation on the transmission system
WACM10	N	Y	N	N	Y	N	<ul style="list-style-type: none"> <li>Does not introduce discrimination between embedded generators</li> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM11	N	Y	N	N	Y	N	<ul style="list-style-type: none"> <li>Does not introduce discrimination between embedded generators</li> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM12	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM13	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>A high burden to administer the groups of affected and grandfathered</li> </ul>

WACM14	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM15	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM16	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM17	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM18	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Insert name}						
Original							
WACM1	Y	Y	N	N	Y	Y	Same as above
WACM2	Y	Y	N	N	Y	Y	Same as above
WACM3	Y	Y	N	N	Y	Y	Same as above

WACM4	Y	Y	N	N	Y	Y	Same as above
WACM5	Y	Y	N	N	Y	Y	Same as above
WACM6	Y	Y	N	N	Y	Y	Same as above
WACM7	Y	Y	N	N	Y	Y	Same as above
WACM8	Y	Y	N	N	Y	N	Same as above
WACM9	Y	Y	N	N	Y	N	Same as above
WACM10	Y	Y	N	N	Y	N	Same as above
WACM11	Y	Y	N	N	Y	N	Same as above
WACM12	N	N	N	N	N	N	Same as above
WACM13	N	N	N	N	N	N	Same as above
WACM14	N	N	N	N	N	N	Same as above

WACM15	N	N	N	N	N	N	Same as above
WACM16	N	N	N	N	N	N	Same as above
WACM17	N	N	N	N	N	N	Same as above
WACM18	N	N	N	N	N	N	Same as above

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM 6	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Uses the indicative locational signal to represent the value of embedded generation avoiding the cost of network reinforcement</li> <li>• Efficient methodology to implement</li> </ul>

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Workgroup member {INSERT NAME}						
Original	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM1	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>Does not introduce discrimination between embedded generators</li> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Low value of X distorts the cost reflective locational signal</li> <li>Creates a significant drop in tariffs in first year of implementation</li> </ul>

WACM2	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> </ul>
WACM3	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> <li>• Creates a significant drop in tariffs in first year of implementation</li> </ul>
WACM4	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> </ul>
WACM5	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective</li> </ul>

						locational signal
WACM6	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Uses the indicative locational signal to represent the value of embedded generation avoiding the cost of network reinforcement</li> </ul>
WACM7	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Uses the indicative locational signal to represent the value of embedded generation avoiding the cost of network reinforcement</li> </ul>
WACM8	N	N	N	Y	N	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM9	N	N	N	Y	N	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> </ul>

						<ul style="list-style-type: none"> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM10	N	N	N	Y	N	<ul style="list-style-type: none"> <li>Does not introduce discrimination between embedded generators</li> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM11	N	N	N	Y	N	<ul style="list-style-type: none"> <li>Does not introduce discrimination between embedded generators</li> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM12	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>A high burden to administer the groups of affected and grandfathered</li> </ul>

WACM13	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM14	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM15	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM16	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM17	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of</li> </ul>

						affected and grandfathered
WACM18	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM19	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM20	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM21	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM22	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost</li> </ul>

						reflective of their use of the system • A high burden to administer the groups of affected and grandfathered
WACM23	N	N	N	N	N	• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system • A high burden to administer the groups of affected and grandfathered

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original						

WACM1	N	Y	N	Y	Y	Same as above
WACM2	N	Y	N	Y	Y	Same as above
WACM3	N	Y	N	Y	Y	Same as above
WACM4	N	Y	N	Y	Y	Same as above
WACM5	N	Y	N	Y	Y	Same as above
WACM6	N	Y	N	Y	Y	Same as above
WACM7	N	Y	N	Y	Y	Same as above
WACM8	N	Y	N	Y	N	Same as above
WACM9	N	Y	N	Y	N	Same as above
WACM10	N	Y	N	Y	N	Same as above
WACM11	N	Y	N	Y	N	Same as above

WACM12	N	N	N	N	N	Same as above
WACM13	N	N	N	N	N	Same as above
WACM14	N	N	N	N	N	Same as above
WACM15	N	N	N	N	N	Same as above
WACM16	N	N	N	N	N	Same as above
WACM17	N	N	N	N	N	Same as above
WACM18	N	N	N	N	N	Same as above
WACM19	N	N	N	N	N	Same as above
WACM20	N	N	N	N	N	Same as above
WACM21	N	N	N	N	N	Same as above
WACM22	N	N	N	N	N	Same as above

WACM23	N	N	N	N	N	Same as above
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### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM 6	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Uses the indicative locational signal to represent the value of embedded generation avoiding the cost of network reinforcement</li> <li>• Efficient methodology to implement</li> </ul>

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP270:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Workgroup member {INSERT NAME}						
Original	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>A high burden to administer the groups of affected and grandfathered</li> <li>Negative charges will signal to embedded generation not to generate at system peak</li> </ul>
WACM1	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>Does not introduce discrimination between embedded generators</li> <li>Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>Low value of X distorts the cost reflective locational signal</li> <li>Creates a significant drop in tariffs in first year</li> </ul>

						of implementation
WACM2	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> </ul>
WACM3	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> <li>• Creates a significant drop in tariffs in first year of implementation</li> </ul>
WACM4	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Low value of X distorts the cost reflective locational signal</li> </ul>
WACM5	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the</li> </ul>

						<p>non cost reflective demand residual</p> <ul style="list-style-type: none"> <li>• Low value of X distorts the cost reflective locational signal</li> </ul>
WACM6	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Uses the indicative locational signal to represent the value of embedded generation avoiding the cost of network reinforcement</li> </ul>
WACM7	N	Y	N	Y	Y	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Uses the indicative locational signal to represent the value of embedded generation avoiding the cost of network reinforcement</li> </ul>
WACM8	N	N	N	Y	N	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>

WACM9	N	N	N	Y	N	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM10	N	N	N	Y	N	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM11	N	N	N	Y	N	<ul style="list-style-type: none"> <li>• Does not introduce discrimination between embedded generators</li> <li>• Increases cost reflectivity by removing the non cost reflective demand residual</li> <li>• Methodology of deriving the value of X is not reflective of the effects of embedded generation on the transmission system</li> </ul>
WACM12	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of</li> </ul>

						affected and grandfathered
WACM13	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM14	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM15	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM16	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>• A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM17	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Creates discrimination between affected and grandfathered users that are not cost</li> </ul>

						reflective of their use of the system <ul style="list-style-type: none"> <li>A high burden to administer the groups of affected and grandfathered</li> </ul>
WACM18	N	N	N	N	N	<ul style="list-style-type: none"> <li>Creates discrimination between affected and grandfathered users that are not cost reflective of their use of the system</li> <li>A high burden to administer the groups of affected and grandfathered</li> </ul>

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original						

WACM1	N	Y	N	Y	Y	Same as above
WACM2	N	Y	N	Y	Y	Same as above
WACM3	N	Y	N	Y	Y	Same as above
WACM4	N	Y	N	Y	Y	Same as above
WACM5	N	Y	N	Y	Y	Same as above
WACM6	N	Y	N	Y	Y	Same as above
WACM7	N	Y	N	Y	Y	Same as above
WACM8	N	Y	N	Y	N	Same as above
WACM9	N	Y	N	Y	N	Same as above
WACM10	N	Y	N	Y	N	Same as above
WACM11	N	Y	N	Y	N	Same as above

WACM12	N	N	N	N	N	Same as above
WACM13	N	N	N	N	N	Same as above
WACM14	N	N	N	N	N	Same as above
WACM15	N	N	N	N	N	Same as above
WACM16	N	N	N	N	N	Same as above
WACM17	N	N	N	N	N	Same as above
WACM18	N	N	N	N	N	Same as above

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
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<b>Workgroup member {Insert name}</b>	WACM 6	<ul style="list-style-type: none"><li>• Does not introduce discrimination between embedded generators</li><li>• Increases cost reflectivity by removing the non cost reflective demand residual</li><li>• Uses the indicative locational signal to represent the value of embedded generation avoiding the cost of network reinforcement</li><li>• Efficient methodology to implement</li></ul>
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
Workgroup member Fruzsina Kemenes (Innogy Renewables UK-Npower)							
Original	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A) The proposal introduces undue discrimination between users that have the same network impact. In this 'new' and 'old generators' classified as such on an arbitrary basis and between embedded generation and behind the meter generation. B) Treating customers with the same network impact in different ways can never be cost reflective (or an improvement on cost reflectivity). While identifying issues with cost reflectivity of current charges the issue remains unresolved. The residual cost for 'old' gen continues increasing along the current trajectory without any proven justification- new generators are subject to gross charging without any justification. We believe there is a potential benefit in embedded generation reducing demand and this is not recognised. E). High admin burden due to level of work to support ring fencing of specified customers and application of 2 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>

WACM1 (Centrica B)	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>This proposal is in principle no improvement on/worse than the baseline. A) Risks distortion of competition, possibly tilted in favour of transmission connected generation under the proposal– no evidence has been analysed by the WG on this key question. Introduces discrimination between embedded generation and behind the meter generation. B) Does not produce a cost reflective signal as retained locational signals are not reflective of SQSS. Flooring locational signal also produces a distorted locational signal. The WG has examined no analysis as to whether gross charging is cost reflective. In our view there is evidence based rational for net charging where E.G. meets local demand. E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.</p>
WACM2 ( NG C )	No (worse*)	No (worse*)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Same as Centrica C – with added administrative burden of phased introduction.</p> <p>A) Risks distortion of competition, possibly tilted in favour of transmission connected generation under the proposal– no evidence has been analysed by the WG on this key question. Introduces discrimination between embedded generation and behind the meter generation. B) Does not produce a cost</p>

							<p>reflective signal as retained locational signals are not reflective of SQSS. Flooring locational signal also produces a distorted locational signal. The WG has examined no analysis as to whether gross charging is cost reflective. In our view there is evidence based rational for net charging where E.G. meets local demand. E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs. Phased introduction commences with insufficient notice to suppliers – the same systems and contract changes are required as if implementation was 100% April 2018.</p>
WACM3 (Uniper A)	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>The estimate of the avoided costs at GSP of £1.62 has been pointed out as needing revision by NGET staff and therefore is not a cost reflective value to include in charging methodology.</p> <p>Based on Centrica's therefore carries the same issues. (See WACM1 box).</p>
WACM4	No (worse)		No (Neutral)	No (Neutral)		NO	<p>Administrative burden + Estimate of the avoided costs at GSP of £1.62 has been pointed out as needing revision by NGET therefore not a cost</p>

SSE A		No (worse)			No (worse)		reflective value to include in charging methodology. Based on Centrica's therefore does not produce a cost reflective signal as locational signals are not reflective of SQSS. Flooring locational signal also produces a distorted locational signal. See WACM1 box for details.
WACM5 SSE B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Same as WACM 4 above- adding the Generation Residual in the charging formula makes no difference to correct for defects.
WACM6 NG A	No	No	No (Neutral)	No (Neutral)	No (worse)	NO	<p>The basis for the 'cost reflective' locational signal is not cost reflective as it is not aligned with the SQSS. The approach was interesting in principles but there has been no workgroup analysis to understand its potential impacts.</p> <p>E) Less admin burden than original but more than baseline as there is no need to ring fence customers</p>

							but still a need for 2 sets of tariffs.
WACM7 NG D	No	No	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Same as NG A – with added administrative burden of phased introduction.</p> <p>E) Phased introduction commences with insufficient notice to suppliers – the same systems and contract changes are required as if implementation was 100% April 2018.</p>
WACM8 ADE E	No*	No*	No (Neutral)	No (Neutral)	No (worse)	NO	<p>The workgroup has not analysed the basis of the value selected for the frozen tariff (the proposer has attempted to come up with a cost reflective value based on their own consultant’s analysis). The workgroup has not analysed the possible impacts of the solution and therefore in the absence of evidence we cannot support it as being better than the baseline. Pragmatic approach- administratively simple stop-gap solution but does not address causes of defect. Fundamentally the value chose for X cannot be seen as ‘cost reflective’ across the years as it is simply frozen based on one charging year.</p> <p>E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.</p>

WACM9 Infinis A	No*	No*	No (Neutral)	No (Neutral)	No (worse)	NO	Essentially the same issues as for WACM 8  + Estimate of the avoided costs at GSP of £1.62 has been pointed out as needing revision by NGET therefore not a cost reflective value to include in charging methodology.  + E) Administratively more complicated due to step up in charges between initial years. We do not see the rationale for step change in charges between years.
WACM10 Greenfrog A (CMP264)	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Value to freeze at is non-cost-reflective and arbitrary. As a result the impacts on competition will be negative (unless by fluke the cost reflective value turns out to be the selected figure).  Otherwise similar comments to WACM8 ADE E.
WACM11 Eider A	No(worse*)	No(worse*)	No (Neutral)	No (Neutral)	No (worse)	NO	Proposal attempts to address the value of the Residual and levels it. Pragmatic approach for a stop-gap solution. However, this is not and does not purport to be a more cost reflective trajectory (B). The workgroup has done no analysis on the impacts of this proposal – particularly on whether it would result in an improvement or not in competition in generation (A). There is discrimination between embedded generation and behind the meter

							<p>generation under this proposal.</p> <p>E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.</p>
<p>WACM12</p> <p>UKPR F1</p>	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
<p>WACM13</p> <p>UKPR G1</p>	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost</p>

							<p>reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM14 UKPR H1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM15 UKPR I1	No (worse)		No (Neutral)	No (Neutral)		NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The</p>

		No (worse)			No (worse)		<p>discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM16 UKPR J1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM17 UKPR K1	No (worse)		No (Neutral)	No (Neutral)		NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15</p>

		No (worse)			No (worse)		<p>CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM18 UKPR L1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>

WACM19 SP B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>£43.33 is an arbitrary number, not one justified as cost reflective.</p> <p>E) Higher than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p> <p>Otherwise same issues as with the Original CMP264 proposal.</p>
WACM20 Alkane A	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Pragmatic 5 year temporary freeze at the 2014 level in line with last value NGET deemed to be acceptable during 2014 review. Introduces undue discrimination. In network charging terms impact of new/ old and CM and non-CM are the same. Using a different date to differentiate does not address the arbitrary division between new and old.</p> <p>Grandfathered value not cost reflective(the rationale for affected generators 'freeze value' is logical to an extent but it is not demonstrated as cost-reflective). The workgroup has not analysed the basis of the value selected for the frozen tariff.</p> <p>The workgroup has not analysed the possible impacts of the solution and therefore in the absence of evidence we cannot support it as being better</p>

							<p>than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
<p>WACM21 Alkane B</p>	<p>No (worse)</p>	<p>No (worse)</p>	<p>No (Neutral)</p>	<p>No (Neutral)</p>	<p>No (worse)</p>	<p>NO</p>	<p>Pragmatic 5 year temporary freeze. Introduces undue discrimination. In network charging terms impact of new/ old and CM and non-CM are the same. Using a different date to differentiate does not address the arbitrary division between new and old. Grandfathered value not cost reflective – analysis was not performed by the working group but in principle there is a fundamental issue with the cost reflectivity of the locational element of the DTNUoS charges.</p> <p>The workgroup has not analysed the basis of the value selected for the frozen tariff (the proposer has attempted to come up with a cost reflective value). The workgroup has not analysed the possible impacts of the solution and therefore in the absence of evidence we cannot support it as being better than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level</p>

							of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.
WACM22 ADE C	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Introduces undue discrimination between users that have the same network impact. In this case between 'grandfathered' -'old generators' and multiyear-new build CM/CFD contracted after 14/15 vs 'new affected generators'. B) Treating customers with the same network impact in different ways can never be cost reflective (or an improvement on cost reflectivity). Does not produce cost reflective value for grandfathered generators - value Frozen at non cost reflective level . Administrative complexity of separating new CM and CM with 2015/6 contracts. E) Admin burden higher than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.
WACM23 Infinis B	No (worse)		No (Neutral)	No (Neutral)		NO	Introduces undue discrimination between users that have the same network impact. In this case between affected generators vs 14/15 CM/CFD – for 10 years. Partially as a result of this – not cost

		No (worse)			No (worse)		reflective. E). High admin burden due to level of work to support ring fencing of specified customers and application of 2 different sets of tariffs. Change of supplier process and additional flows / central data store required.
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	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	<b>Workgroup member {Insert name}</b>						
Original	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WACM1 (Centrica B)	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM2 ( NG C )	Yes possibly*	Yes possibly*	No (Neutral)	No (Neutral)	No (worse)	YES Possibly.	The proposal in principle follows some logic and doesn't appear to cause new defects at first glance and it was felt at the time of the Vote that it had some merit for further examination.  Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.
WACM3	No (worse)		No (Neutral)	No (Neutral)		NO	Worse than the baseline and No improvement on the

(Uniper A)		No (worse)			No (worse)		Original.
WACM4 SSE A	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM5 SSE B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.

WACM6 NG A	No	No	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM7 NG D	No	No	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM8 ADE E	Yes possibly*	Yes possibly*	No (Neutral)	No (Neutral)	No (worse)	YES possibly.	<p>The proposal in principle follows some logic and doesn't appear to cause new defects at first glance it was felt at the time of the Vote that it had some merit for further examination.</p> <p>Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.</p>
WACM9 Infinis A	Yes possibly*	Yes possibly*	No (Neutral)	No (Neutral)	No (worse)	YES possibly.	<p>The proposal in principle follows some logic and doesn't appear to cause new defects at first glance and it was felt at the time of the Vote that it had some merit for further examination.</p>

							Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.
WACM10 Greenfrog A (CMP264)	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM11 Eider A	Yes possibly*	Yes possibly*	No (Neutral)	No (Neutral)	No (worse)	YES Possibly.	The proposal in principle follows some logic and doesn't appear to cause new defects at first glance and it was felt at the time of the Vote that it had some merit for further examination.  Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.
WACM12 UKPR F1	No (worse)		No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.

		No (worse)					
WACM13 UKPR G1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM14 UKPR H1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM15 UKPR I1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM16 UKPR J1	No (worse)		No (Neutral)	No (Neutral)		NO	Worse than the baseline and No improvement on the Original.

		No (worse)			No (worse)		
WACM17 UKPR K1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM18 UKPR L1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM19 SP B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.

WACM20 Alkane A	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM21 Alkane B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM22 ADE C	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.

WACM23 Infinis B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
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**KEY: \* where analysis of the option would be particularly important**

**CMP264:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member {Fruzsina Kemenes}	CUSC Baseline	We would like to highlight the overarching concern that the working group have not had the opportunity to conduct sufficient analysis or evaluate the workings or impacts of any of the proposals. As such voting for any option being better than the baseline is irresponsible and

		<p>not evidence based. The accelerated timetable and volume of WACMs has been a barrier to informed voting.</p> <p>The reasons for rejecting all the individual options are detailed above.</p> <p>To summarise, the proposals suffer from different variants of the issues listed below:</p> <ul style="list-style-type: none"><li>A) Proposals introduce undue discrimination between users that have the same network impact. (Behind the meter and directly connected embedded generation, new/old/CM/non-CM)</li></ul> <p>Proposals therefore risk distortion of competition.</p> <p>Where gross charging is applied to all embedded generation the potential risks of distorting competition now in favour of transmission connected generators has not been examined.</p> <ul style="list-style-type: none"><li>B) Treating customers with the same network impact in different ways can never be cost reflective (or an improvement on cost reflectivity).</li></ul> <p>While identifying issues with cost reflectivity of current charges the issue remains unresolved by all proposals.</p>
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		<p>Some proposals attempt to freeze net charging levels at a value that is designed by the proposers to be cost reflective. While these are pragmatic approaches for a 'stop-gap' solution - the workgroup has not analysed the basis of the values selected for the frozen tariffs.</p> <p>Some base their proposals on locational signal remaining intact: this does not produce a cost reflective signal as retained locational signals are not reflective of SQSS. Flooring locational signal also produces a further distorted locational signal.</p> <p>E) All proposals have a higher admin burden than the baseline due to level of work to support ring fencing of specified customers and application of different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
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Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}						
Original CMP265	No (worse)	No (worse)	No	No (no change)	No (worse)	NO	<p>A) The proposal introduces undue discrimination between users that have the same network impact. In this case CM and non-CM. B) Treating customers with the same network impact in different ways can never be cost reflective (or an improvement on cost reflectivity). While identifying issues with cost reflectivity of current charges the issue remains unresolved. The residual cost for non-affected generators continues increasing along the current trajectory without any proven justification- and CM generators are subject to gross charging without any justification. We believe there is a potential benefit in embedded generation reducing demand and this is not recognised for 'CM generators'.</p> <p>E). High admin burden due to level of work to support ring fencing of specified customers and application of 2 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM1 (Centrica B)	No (worse)		No (Neutral)	No (Neutral)		NO	<p>This proposal is in principle no improvement on/worse than the baseline. A) Risks distortion of competition, possibly tilted in favour of transmission connected generation under the proposal– no evidence has been analysed by the WG on this key</p>

		No (worse)			No (worse)		<p>question. Introduces discrimination between embedded generation and behind the meter generation. B) Does not produce a cost reflective signal as retained locational signals are not reflective of SQSS. Flooring locational signal also produces a distorted locational signal. The WG has examined no analysis as to whether gross charging is cost reflective. In our view there is evidence based rational for net charging where E.G. meets local demand. E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.</p>
WACM2 ( NG C )	No (worse*)	No (worse*)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Same as Centrica C – with added administrative burden of phased introduction.</p> <p>A) Risks distortion of competition, possibly tilted in favour of transmission connected generation under the proposal– no evidence has been analysed by the WG on this key question. Introduces discrimination between embedded generation and behind the meter generation. B) Does not produce a cost reflective signal as retained locational signals are not reflective of SQSS. Flooring locational signal also produces a distorted locational signal. The WG has examined no analysis as to whether gross charging is cost reflective. In our view there is evidence based</p>

							<p>rational for net charging where E.G. meets local demand. E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs. Phased introduction commences with insufficient notice to suppliers – the same systems and contract changes are required as if implementation was 100% April 2018.</p>
<p>WACM3 (Uniper A)</p>	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>The estimate of the avoided costs at GSP of £1.62 has been pointed out as needing revision by NGET staff and therefore is not a cost reflective value to include in charging methodology.</p> <p>Based on Centrica's therefore carries the same issues. (See WACM1 box).</p>
<p>WACM4 SSE A</p>	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Administrative burden + Estimate of the avoided costs at GSP of £1.62 has been pointed out as needing revision by NGET therefore not a cost reflective value to include in charging methodology. Based on Centrica's therefore does not produce a cost reflective signal as locational signals are not reflective of SQSS. Flooring locational signal also produces a distorted locational signal. See WACM1</p>

							box for details.
WACM5 SSE B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Same as WACM 4 above- adding the Generation Residual in the charging formula makes no difference to correct for defects.
WACM6 NG A	No	No	No (Neutral)	No (Neutral)	No (worse)	NO	<p>The basis for the 'cost reflective' locational signal is not cost reflective as it is not aligned with the SQSS. The approach was interesting in principles but there has been no workgroup analysis to understand its potential impacts.</p> <p>E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.</p>
WACM7 NG D	No	No	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Same as NG A – with added administrative burden of phased introduction.</p> <p>E) Phased introduction commences with insufficient notice to suppliers – the same systems and contract</p>

							changes are required as if implementation was 100% April 2018.
WACM8 ADE E	No*	No*	No (Neutral)	No (Neutral)	No (worse)	NO	<p>The workgroup has not analysed the basis of the value selected for the frozen tariff (the proposer has attempted to come up with a cost reflective value based on their own consultant's analysis). The workgroup has not analysed the possible impacts of the solution and therefore in the absence of evidence we cannot support it as being better than the baseline. Pragmatic approach- administratively simple stop-gap solution but does not address causes of defect. Fundamentally the value chose for X cannot be seen as 'cost reflective' across the years as it is simply frozen based on one charging year.</p> <p>E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.</p>
WACM9 Infinis A	No*	No*	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Essentially the same issues as for WACM 8</p> <p>+ Estimate of the avoided costs at GSP of £1.62 has been pointed out as needing revision by NGET therefore not a cost reflective value to include in charging methodology.</p> <p>+ E) Administratively more complicated due to step</p>

							up in charges between initial years. We do not see the rationale for step change in charges between years.
WACM10 Greenfrog A (CMP264)	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Value to freeze at is non-cost-reflective and arbitrary. As a result the impacts on competition will be negative (unless by fluke the cost reflective value turns out to be the selected figure).  Otherwise similar comments to WACM8 ADE E.
WACM11 Eider A	No(worse*)	No(worse*)	No (Neutral)	No (Neutral)	No (worse)	NO	Proposal attempts to address the value of the Residual and levels it. Pragmatic approach for a stop-gap solution. However, this is not and does not purport to be a more cost reflective trajectory (B). The workgroup has done no analysis on the impacts of this proposal – particularly on whether it would result in an improvement or not in competition in generation (A). There is discrimination between embedded generation and behind the meter generation under this proposal.  E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.

<p>WACM12 UKPR F1</p>	<p>No (worse)</p>	<p>No (worse)</p>	<p>No (Neutral)</p>	<p>No (Neutral)</p>	<p>No (worse)</p>	<p>NO</p>	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
<p>WACM13 UKPR G1</p>	<p>No (worse)</p>	<p>No (worse)</p>	<p>No (Neutral)</p>	<p>No (Neutral)</p>	<p>No (worse)</p>	<p>NO</p>	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional</p>

							flows / central data store required.
WACM14 UKPR H1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM15 UKPR I1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified</p>

							customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.
WACM16 UKPR J1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM17 UKPR K1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p>

							E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.
WACM18 UKPR L1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Insert name}						
Original	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WACM1 (Centrica B)	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM2 ( NG C )	Yes possibly*	Yes possibly*	No(neutral)	No (no change)	No (worse)	YES Possibly.	<p>The proposal in principle follows some logic and doesn't appear to cause new defects at first glance and it was felt at the time of the Vote that it had some merit for further examination.</p> <p>Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group</p>

							simply has not examined any evidence either way.
WACM3 (Uniper A)	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM4 SSE A	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM5 SSE B	No (worse)		No(neutral)	No (no change)		NO	Worse than the baseline and No improvement on the Original.

		No (worse)			No (worse)		
WACM6 NG A	No	No	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM7 NG D	No	No	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM8 ADE E	Yes possibly*	Yes possibly*	No(neutral)	No (no change)	No (worse)	YES possibly.	<p>The proposal in principle follows some logic and doesn't appear to cause new defects at first glance it was felt at the time of the Vote that it had some merit for further examination.</p> <p>Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.</p>

WACM9 Infinis A	Yes possibly*	Yes possibly*	No(neutral)	No (no change)	No (worse)	YES possibly.	<p>The proposal in principle follows some logic and doesn't appear to cause new defects at first glance and it was felt at the time of the Vote that it had some merit for further examination.</p> <p>Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.</p>
WACM10 Greenfrog A (CMP264)	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	<p>Worse than the baseline and No improvement on the Original.</p>
WACM11 Eider A	Yes possibly*	Yes possibly*	No(neutral)	No (no change)	No (worse)	YES Possibly.	<p>The proposal in principle follows some logic and doesn't appear to cause new defects at first glance and it was felt at the time of the Vote that it had some merit for further examination.</p> <p>Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.</p>

WACM12 UKPR F1	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM13 UKPR G1	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM14 UKPR H1	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM15 UKPR I1	No (worse)	No (worse)	No(neutral)	No (no change)		NO	Worse than the baseline and No improvement on the Original.

					No (worse)		
WACM16 UKPR J1	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM17 UKPR K1	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM18 UKPR L1	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.

**KEY: \* where analysis of the option would be particularly important**

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p><b>Workgroup member Fruzsina Kemenes</b></p>	<p>CUSC Baseline</p>	<p>We would like to highlight the overarching concern that the working group have not had the opportunity to conduct sufficient analysis or evaluate the workings or impacts of any of the proposals. As such voting for any option being better than the baseline is irresponsible and not evidence based. The accelerated timetable and volume of WACMs has been a barrier to informed voting.</p> <p>The reasons for rejecting all the individual options are detailed above.</p> <p>To summarise, the proposals suffer from different variants of the issues listed below:</p> <ul style="list-style-type: none"> <li>A) Proposals introduce undue discrimination between users that have the same network impact. (Behind the meter and directly connected embedded generation, new/old/CM/non-CM)</li> </ul>

		<p>Proposals therefore risk distortion of competition.</p> <p>Where gross charging is applied to all embedded generation the potential risks of distorting competition now in favour of transmission connected generators has not been examined.</p> <p>B) Treating customers with the same network impact in different ways can never be cost reflective (or an improvement on cost reflectivity).</p> <p>While identifying issues with cost reflectivity of current charges the issue remains unresolved by all proposals.</p> <p>Some proposals attempt to freeze net charging levels at a value that is designed by the proposers to be cost reflective. While these are pragmatic approaches for a 'stop-gap' solution - the workgroup has not analysed the basis of the values selected for the frozen tariffs.</p> <p>Some base their proposals on locational signal remaining intact: this does not produce a cost reflective signal as retained locational signals are not reflective of SQSS. Flooring locational signal also produces a further distorted locational signal.</p> <p>E) All proposals have a higher admin burden than the baseline due to level of work to support ring fencing of specified customers and application of different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
Workgroup member Fruzsina Kemenes (Innogy Renewables UK-Npower)							
Original	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A) The proposal introduces undue discrimination between users that have the same network impact. In this 'new' and 'old generators' classified as such on an arbitrary basis and between embedded generation and behind the meter generation. B) Treating customers with the same network impact in different ways can never be cost reflective (or an improvement on cost reflectivity). While identifying issues with cost reflectivity of current charges the issue remains unresolved. The residual cost for 'old' gen continues increasing along the current trajectory without any proven justification- new generators are subject to gross charging without any justification. We believe there is a potential benefit in embedded generation reducing demand and this is not recognised. E). High admin burden due to level of work to support ring fencing of specified customers and application of 2 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>

WACM1 (Centrica B)	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>This proposal is in principle no improvement on/worse than the baseline. A) Risks distortion of competition, possibly tilted in favour of transmission connected generation under the proposal– no evidence has been analysed by the WG on this key question. Introduces discrimination between embedded generation and behind the meter generation. B) Does not produce a cost reflective signal as retained locational signals are not reflective of SQSS. Flooring locational signal also produces a distorted locational signal. The WG has examined no analysis as to whether gross charging is cost reflective. In our view there is evidence based rational for net charging where E.G. meets local demand. E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.</p>
WACM2 ( NG C )	No (worse*)	No (worse*)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Same as Centrica C – with added administrative burden of phased introduction.</p> <p>A) Risks distortion of competition, possibly tilted in favour of transmission connected generation under the proposal– no evidence has been analysed by the WG on this key question. Introduces discrimination between embedded generation and behind the meter generation. B) Does not produce a cost</p>

							reflective signal as retained locational signals are not reflective of SQSS. Flooring locational signal also produces a distorted locational signal. The WG has examined no analysis as to whether gross charging is cost reflective. In our view there is evidence based rational for net charging where E.G. meets local demand. E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs. Phased introduction commences with insufficient notice to suppliers – the same systems and contract changes are required as if implementation was 100% April 2018.
WACM3 (Uniper A)	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	The estimate of the avoided costs at GSP of £1.62 has been pointed out as needing revision by NGET staff and therefore is not a cost reflective value to include in charging methodology.  Based on Centrica's therefore carries the same issues. (See WACM1 box).
WACM4	No (worse)		No (Neutral)	No (Neutral)		NO	Administrative burden + Estimate of the avoided costs at GSP of £1.62 has been pointed out as needing revision by NGET therefore not a cost

SSE A		No (worse)			No (worse)		reflective value to include in charging methodology. Based on Centrica's therefore does not produce a cost reflective signal as locational signals are not reflective of SQSS. Flooring locational signal also produces a distorted locational signal. See WACM1 box for details.
WACM5 SSE B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Same as WACM 4 above- adding the Generation Residual in the charging formula makes no difference to correct for defects.
WACM6 NG A	No	No	No (Neutral)	No (Neutral)	No (worse)	NO	<p>The basis for the 'cost reflective' locational signal is not cost reflective as it is not aligned with the SQSS. The approach was interesting in principles but there has been no workgroup analysis to understand its potential impacts.</p> <p>E) Less admin burden than original but more than baseline as there is no need to ring fence customers</p>

							but still a need for 2 sets of tariffs.
WACM7 NG D	No	No	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Same as NG A – with added administrative burden of phased introduction.</p> <p>E) Phased introduction commences with insufficient notice to suppliers – the same systems and contract changes are required as if implementation was 100% April 2018.</p>
WACM8 ADE E	No*	No*	No (Neutral)	No (Neutral)	No (worse)	NO	<p>The workgroup has not analysed the basis of the value selected for the frozen tariff (the proposer has attempted to come up with a cost reflective value based on their own consultant’s analysis). The workgroup has not analysed the possible impacts of the solution and therefore in the absence of evidence we cannot support it as being better than the baseline. Pragmatic approach- administratively simple stop-gap solution but does not address causes of defect. Fundamentally the value chose for X cannot be seen as ‘cost reflective’ across the years as it is simply frozen based on one charging year.</p> <p>E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.</p>

WACM9 Infinis A	No*	No*	No (Neutral)	No (Neutral)	No (worse)	NO	Essentially the same issues as for WACM 8  + Estimate of the avoided costs at GSP of £1.62 has been pointed out as needing revision by NGET therefore not a cost reflective value to include in charging methodology.  + E) Administratively more complicated due to step up in charges between initial years. We do not see the rationale for step change in charges between years.
WACM10 Greenfrog A (CMP264)	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Value to freeze at is non-cost-reflective and arbitrary. As a result the impacts on competition will be negative (unless by fluke the cost reflective value turns out to be the selected figure).  Otherwise similar comments to WACM8 ADE E.
WACM11 Eider A	No(worse*)	No(worse*)	No (Neutral)	No (Neutral)	No (worse)	NO	Proposal attempts to address the value of the Residual and levels it. Pragmatic approach for a stop-gap solution. However, this is not and does not purport to be a more cost reflective trajectory (B). The workgroup has done no analysis on the impacts of this proposal – particularly on whether it would result in an improvement or not in competition in generation (A). There is discrimination between embedded generation and behind the meter

							<p>generation under this proposal.</p> <p>E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.</p>
<p>WACM12</p> <p>UKPR F1</p>	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
<p>WACM13</p> <p>UKPR G1</p>	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost</p>

							<p>reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM14 UKPR H1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM15 UKPR I1	No (worse)		No (Neutral)	No (Neutral)		NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The</p>

		No (worse)			No (worse)		<p>discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM16 UKPR J1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM17 UKPR K1	No (worse)		No (Neutral)	No (Neutral)		NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15</p>

		No (worse)			No (worse)		<p>CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM18 UKPR L1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>

WACM19 SP B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>£43.33 is an arbitrary number, not one justified as cost reflective.</p> <p>E) Higher than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p> <p>Otherwise same issues as with the Original CMP264 proposal.</p>
WACM20 Alkane A	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Pragmatic 5 year temporary freeze at the 2014 level in line with last value NGET deemed to be acceptable during 2014 review. Introduces undue discrimination. In network charging terms impact of new/ old and CM and non-CM are the same. Using a different date to differentiate does not address the arbitrary division between new and old.</p> <p>Grandfathered value not cost reflective(the rationale for affected generators 'freeze value' is logical to an extent but it is not demonstrated as cost-reflective). The workgroup has not analysed the basis of the value selected for the frozen tariff.</p> <p>The workgroup has not analysed the possible impacts of the solution and therefore in the absence of evidence we cannot support it as being better</p>

							<p>than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
<p>WACM21 Alkane B</p>	<p>No (worse)</p>	<p>No (worse)</p>	<p>No (Neutral)</p>	<p>No (Neutral)</p>	<p>No (worse)</p>	<p>NO</p>	<p>Pragmatic 5 year temporary freeze. Introduces undue discrimination. In network charging terms impact of new/ old and CM and non-CM are the same. Using a different date to differentiate does not address the arbitrary division between new and old. Grandfathered value not cost reflective – analysis was not performed by the working group but in principle there is a fundamental issue with the cost reflectivity of the locational element of the DTNUoS charges.</p> <p>The workgroup has not analysed the basis of the value selected for the frozen tariff (the proposer has attempted to come up with a cost reflective value). The workgroup has not analysed the possible impacts of the solution and therefore in the absence of evidence we cannot support it as being better than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level</p>

							of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.
WACM22 ADE C	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Introduces undue discrimination between users that have the same network impact. In this case between 'grandfathered' -'old generators' and multiyear-new build CM/CFD contracted after 14/15 vs 'new affected generators'. B) Treating customers with the same network impact in different ways can never be cost reflective (or an improvement on cost reflectivity). Does not produce cost reflective value for grandfathered generators - value Frozen at non cost reflective level . Administrative complexity of separating new CM and CM with 2015/6 contracts. E) Admin burden higher than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.
WACM23 Infinis B	No (worse)		No (Neutral)	No (Neutral)		NO	Introduces undue discrimination between users that have the same network impact. In this case between affected generators vs 14/15 CM/CFD – for 10 years. Partially as a result of this – not cost

		No (worse)			No (worse)		reflective. E). High admin burden due to level of work to support ring fencing of specified customers and application of 2 different sets of tariffs. Change of supplier process and additional flows / central data store required.
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	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	<b>Workgroup member {Insert name}</b>						
Original	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WACM1 (Centrica B)	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM2 ( NG C )	Yes possibly*	Yes possibly*	No (Neutral)	No (Neutral)	No (worse)	YES Possibly.	The proposal in principle follows some logic and doesn't appear to cause new defects at first glance and it was felt at the time of the Vote that it had some merit for further examination.  Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.
WACM3	No (worse)		No (Neutral)	No (Neutral)		NO	Worse than the baseline and No improvement on the

(Uniper A)		No (worse)			No (worse)		Original.
WACM4 SSE A	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM5 SSE B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.

WACM6 NG A	No	No	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM7 NG D	No	No	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM8 ADE E	Yes possibly*	Yes possibly*	No (Neutral)	No (Neutral)	No (worse)	YES possibly.	<p>The proposal in principle follows some logic and doesn't appear to cause new defects at first glance it was felt at the time of the Vote that it had some merit for further examination.</p> <p>Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.</p>
WACM9 Infinis A	Yes possibly*	Yes possibly*	No (Neutral)	No (Neutral)	No (worse)	YES possibly.	<p>The proposal in principle follows some logic and doesn't appear to cause new defects at first glance and it was felt at the time of the Vote that it had some merit for further examination.</p>

							Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.
WACM10 Greenfrog A (CMP264)	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM11 Eider A	Yes possibly*	Yes possibly*	No (Neutral)	No (Neutral)	No (worse)	YES Possibly.	The proposal in principle follows some logic and doesn't appear to cause new defects at first glance and it was felt at the time of the Vote that it had some merit for further examination.  Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.
WACM12 UKPR F1	No (worse)		No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.

		No (worse)					
WACM13 UKPR G1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM14 UKPR H1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM15 UKPR I1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM16 UKPR J1	No (worse)		No (Neutral)	No (Neutral)		NO	Worse than the baseline and No improvement on the Original.

		No (worse)			No (worse)		
WACM17 UKPR K1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM18 UKPR L1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM19 SP B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.

WACM20 Alkane A	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM21 Alkane B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM22 ADE C	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.

WACM23 Infinis B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
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**KEY: \* where analysis of the option would be particularly important**

**CMP264:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member {Fruzsina Kemenes}	CUSC Baseline	We would like to highlight the overarching concern that the working group have not had the opportunity to conduct sufficient analysis or evaluate the workings or impacts of any of the proposals. As such voting for any option being better than the baseline is irresponsible and

		<p>not evidence based. The accelerated timetable and volume of WACMs has been a barrier to informed voting.</p> <p>The reasons for rejecting all the individual options are detailed above.</p> <p>To summarise, the proposals suffer from different variants of the issues listed below:</p> <ul style="list-style-type: none"><li>A) Proposals introduce undue discrimination between users that have the same network impact. (Behind the meter and directly connected embedded generation, new/old/CM/non-CM)</li></ul> <p>Proposals therefore risk distortion of competition.</p> <p>Where gross charging is applied to all embedded generation the potential risks of distorting competition now in favour of transmission connected generators has not been examined.</p> <ul style="list-style-type: none"><li>B) Treating customers with the same network impact in different ways can never be cost reflective (or an improvement on cost reflectivity).</li></ul> <p>While identifying issues with cost reflectivity of current charges the issue remains unresolved by all proposals.</p>
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		<p>Some proposals attempt to freeze net charging levels at a value that is designed by the proposers to be cost reflective. While these are pragmatic approaches for a 'stop-gap' solution - the workgroup has not analysed the basis of the values selected for the frozen tariffs.</p> <p>Some base their proposals on locational signal remaining intact: this does not produce a cost reflective signal as retained locational signals are not reflective of SQSS. Flooring locational signal also produces a further distorted locational signal.</p> <p>E) All proposals have a higher admin burden than the baseline due to level of work to support ring fencing of specified customers and application of different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
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Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
Workgroup member {INSERT NAME}							
Original CMP265	No (worse)	No (worse)	No	No (no change)	No (worse)	NO	<p>A) The proposal introduces undue discrimination between users that have the same network impact. In this case CM and non-CM. B) Treating customers with the same network impact in different ways can never be cost reflective (or an improvement on cost reflectivity). While identifying issues with cost reflectivity of current charges the issue remains unresolved. The residual cost for non-affected generators continues increasing along the current trajectory without any proven justification- and CM generators are subject to gross charging without any justification. We believe there is a potential benefit in embedded generation reducing demand and this is not recognised for 'CM generators'.</p> <p>E). High admin burden due to level of work to support ring fencing of specified customers and application of 2 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM1 (Centrica B)	No (worse)		No (Neutral)	No (Neutral)		NO	<p>This proposal is in principle no improvement on/worse than the baseline. A) Risks distortion of competition, possibly tilted in favour of transmission connected generation under the proposal– no evidence has been analysed by the WG on this key</p>

		No (worse)			No (worse)		<p>question. Introduces discrimination between embedded generation and behind the meter generation. B) Does not produce a cost reflective signal as retained locational signals are not reflective of SQSS. Flooring locational signal also produces a distorted locational signal. The WG has examined no analysis as to whether gross charging is cost reflective. In our view there is evidence based rational for net charging where E.G. meets local demand. E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.</p>
WACM2 ( NG C )	No (worse*)	No (worse*)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Same as Centrica C – with added administrative burden of phased introduction.</p> <p>A) Risks distortion of competition, possibly tilted in favour of transmission connected generation under the proposal– no evidence has been analysed by the WG on this key question. Introduces discrimination between embedded generation and behind the meter generation. B) Does not produce a cost reflective signal as retained locational signals are not reflective of SQSS. Flooring locational signal also produces a distorted locational signal. The WG has examined no analysis as to whether gross charging is cost reflective. In our view there is evidence based</p>

							<p>rational for net charging where E.G. meets local demand. E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs. Phased introduction commences with insufficient notice to suppliers – the same systems and contract changes are required as if implementation was 100% April 2018.</p>
<p>WACM3 (Uniper A)</p>	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>The estimate of the avoided costs at GSP of £1.62 has been pointed out as needing revision by NGET staff and therefore is not a cost reflective value to include in charging methodology.</p> <p>Based on Centrica's therefore carries the same issues. (See WACM1 box).</p>
<p>WACM4 SSE A</p>	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Administrative burden + Estimate of the avoided costs at GSP of £1.62 has been pointed out as needing revision by NGET therefore not a cost reflective value to include in charging methodology. Based on Centrica's therefore does not produce a cost reflective signal as locational signals are not reflective of SQSS. Flooring locational signal also produces a distorted locational signal. See WACM1</p>

							box for details.
WACM5 SSE B	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Same as WACM 4 above- adding the Generation Residual in the charging formula makes no difference to correct for defects.
WACM6 NG A	No	No	No (Neutral)	No (Neutral)	No (worse)	NO	<p>The basis for the 'cost reflective' locational signal is not cost reflective as it is not aligned with the SQSS. The approach was interesting in principles but there has been no workgroup analysis to understand its potential impacts.</p> <p>E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.</p>
WACM7 NG D	No	No	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Same as NG A – with added administrative burden of phased introduction.</p> <p>E) Phased introduction commences with insufficient notice to suppliers – the same systems and contract</p>

							changes are required as if implementation was 100% April 2018.
WACM8 ADE E	No*	No*	No (Neutral)	No (Neutral)	No (worse)	NO	<p>The workgroup has not analysed the basis of the value selected for the frozen tariff (the proposer has attempted to come up with a cost reflective value based on their own consultant's analysis). The workgroup has not analysed the possible impacts of the solution and therefore in the absence of evidence we cannot support it as being better than the baseline. Pragmatic approach- administratively simple stop-gap solution but does not address causes of defect. Fundamentally the value chose for X cannot be seen as 'cost reflective' across the years as it is simply frozen based on one charging year.</p> <p>E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.</p>
WACM9 Infinis A	No*	No*	No (Neutral)	No (Neutral)	No (worse)	NO	<p>Essentially the same issues as for WACM 8</p> <p>+ Estimate of the avoided costs at GSP of £1.62 has been pointed out as needing revision by NGET therefore not a cost reflective value to include in charging methodology.</p> <p>+ E) Administratively more complicated due to step</p>

							up in charges between initial years. We do not see the rationale for step change in charges between years.
WACM10 Greenfrog A (CMP264)	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	Value to freeze at is non-cost-reflective and arbitrary. As a result the impacts on competition will be negative (unless by fluke the cost reflective value turns out to be the selected figure).  Otherwise similar comments to WACM8 ADE E.
WACM11 Eider A	No(worse*)	No(worse*)	No (Neutral)	No (Neutral)	No (worse)	NO	Proposal attempts to address the value of the Residual and levels it. Pragmatic approach for a stop-gap solution. However, this is not and does not purport to be a more cost reflective trajectory (B). The workgroup has done no analysis on the impacts of this proposal – particularly on whether it would result in an improvement or not in competition in generation (A). There is discrimination between embedded generation and behind the meter generation under this proposal.  E) Less admin burden than original but more than baseline as there is no need to ring fence customers but still a need for 2 sets of tariffs.

<p>WACM12 UKPR F1</p>	<p>No (worse)</p>	<p>No (worse)</p>	<p>No (Neutral)</p>	<p>No (Neutral)</p>	<p>No (worse)</p>	<p>NO</p>	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
<p>WACM13 UKPR G1</p>	<p>No (worse)</p>	<p>No (worse)</p>	<p>No (Neutral)</p>	<p>No (Neutral)</p>	<p>No (worse)</p>	<p>NO</p>	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional</p>

							flows / central data store required.
WACM14 UKPR H1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM15 UKPR I1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified</p>

							customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.
WACM16 UKPR J1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
WACM17 UKPR K1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p>

							E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.
WACM18 UKPR L1	No (worse)	No (worse)	No (Neutral)	No (Neutral)	No (worse)	NO	<p>A)The proposal introduces undue discrimination between users that have the same network impact. In this case creating arbitrary exemptions for 14&amp;15 CM/CFD for an arbitrary time window (all arbitrary from a network impact perspective). The discriminatory treatment in itself means that this solution cannot be deemed as better for cost reflectivity than the baseline.</p> <p>E) Higher admin burden than CMP264 due to level of work to support ring fencing of specified customers and application of 3 different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Insert name}						
Original	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WACM1 (Centrica B)	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM2 ( NG C )	Yes possibly*	Yes possibly*	No(neutral)	No (no change)	No (worse)	YES Possibly.	<p>The proposal in principle follows some logic and doesn't appear to cause new defects at first glance and it was felt at the time of the Vote that it had some merit for further examination.</p> <p>Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group</p>

							simply has not examined any evidence either way.
WACM3 (Uniper A)	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM4 SSE A	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM5 SSE B	No (worse)		No(neutral)	No (no change)		NO	Worse than the baseline and No improvement on the Original.

		No (worse)			No (worse)		
WACM6 NG A	No	No	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM7 NG D	No	No	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM8 ADE E	Yes possibly*	Yes possibly*	No(neutral)	No (no change)	No (worse)	YES possibly.	<p>The proposal in principle follows some logic and doesn't appear to cause new defects at first glance it was felt at the time of the Vote that it had some merit for further examination.</p> <p>Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.</p>

WACM9 Infinis A	Yes possibly*	Yes possibly*	No(neutral)	No (no change)	No (worse)	YES possibly.	<p>The proposal in principle follows some logic and doesn't appear to cause new defects at first glance and it was felt at the time of the Vote that it had some merit for further examination.</p> <p>Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.</p>
WACM10 Greenfrog A (CMP264)	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	<p>Worse than the baseline and No improvement on the Original.</p>
WACM11 Eider A	Yes possibly*	Yes possibly*	No(neutral)	No (no change)	No (worse)	YES Possibly.	<p>The proposal in principle follows some logic and doesn't appear to cause new defects at first glance and it was felt at the time of the Vote that it had some merit for further examination.</p> <p>Unfortunately, there has been no analysis on this option, therefore even if they possibly have some merit as potential improvements on the originals – there is no way of determining whether they risk being worse than the baseline or indeed better. The working group simply has not examined any evidence either way.</p>

WACM12 UKPR F1	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM13 UKPR G1	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM14 UKPR H1	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM15 UKPR I1	No (worse)	No (worse)	No(neutral)	No (no change)		NO	Worse than the baseline and No improvement on the Original.

					No (worse)		
WACM16 UKPR J1	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM17 UKPR K1	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.
WACM18 UKPR L1	No (worse)	No (worse)	No(neutral)	No (no change)	No (worse)	NO	Worse than the baseline and No improvement on the Original.

**KEY: \* where analysis of the option would be particularly important**

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p><b>Workgroup member Fruzsina Kemenes</b></p>	<p>CUSC Baseline</p>	<p>We would like to highlight the overarching concern that the working group have not had the opportunity to conduct sufficient analysis or evaluate the workings or impacts of any of the proposals. As such voting for any option being better than the baseline is irresponsible and not evidence based. The accelerated timetable and volume of WACMs has been a barrier to informed voting.</p> <p>The reasons for rejecting all the individual options are detailed above.</p> <p>To summarise, the proposals suffer from different variants of the issues listed below:</p> <ul style="list-style-type: none"> <li>A) Proposals introduce undue discrimination between users that have the same network impact. (Behind the meter and directly connected embedded generation, new/old/CM/non-CM)</li> </ul>

		<p>Proposals therefore risk distortion of competition.</p> <p>Where gross charging is applied to all embedded generation the potential risks of distorting competition now in favour of transmission connected generators has not been examined.</p> <p>B) Treating customers with the same network impact in different ways can never be cost reflective (or an improvement on cost reflectivity).</p> <p>While identifying issues with cost reflectivity of current charges the issue remains unresolved by all proposals.</p> <p>Some proposals attempt to freeze net charging levels at a value that is designed by the proposers to be cost reflective. While these are pragmatic approaches for a 'stop-gap' solution - the workgroup has not analysed the basis of the values selected for the frozen tariffs.</p> <p>Some base their proposals on locational signal remaining intact: this does not produce a cost reflective signal as retained locational signals are not reflective of SQSS. Flooring locational signal also produces a further distorted locational signal.</p> <p>E) All proposals have a higher admin burden than the baseline due to level of work to support ring fencing of specified customers and application of different sets of tariffs. Change of supplier process and additional flows / central data store required.</p>
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Reason behind votes for CMP264, CMP 265 and associated WACMs

Nick Sillito for Mark Draper

I have tried to set out the criteria that I have used in my voting for and against the various CMPs and the WACMs

Features of different proposals:

Removing the ability of new embedded generation to avoid the triad charge.

1. The locational charge now only recovers about 10% of the transmission owners' allowable revenue ("costs"), with the residual making up about 90%. Given that it seems infeasible that 90% of the transmission system (by cost) is not required for the bulk transfer of power the value of both the locational charge and, by implication, the residual charge require serious review (and I do not believe that this work group has got close to resolving this issue). It is also plausible that the level of error in the charge is large enough that wrong siting decisions are being made by investors in new generation (and in particular, embedded generation). It is a disbenefit to "GB plc" if incorrect transmission charging results in sub optimal new generation location. It therefore appears prudent to avoid new generation locating in the distribution system (if they are locating primarily because of the perceived locational benefit) until such time as the charging can be properly reviewed. For this reason, it seems appropriate to remove residual benefit from new generation to allow time for the review
2. What constitutes new generation is dealt with in the section on competition
3. I would expect further modifications to be raised to deliver a long term solution (see section on efficiency on code administration), but in the interim it would seem appropriate that new embedded generation is charged/benefits from just the locational charge element, although it is possible that the review identifies other benefits of smaller generation connected to the system (local voltage support, small generation does not create the reserve holding requirements of larger generation, the amount of transmission investment to manage the unavailability of a small set is much less than for a large set etc.).

Efficiency in code administration

4. My logic for supporting certain changes is to reduce the risk of suboptimal locational decision being taken for new generation; ideally creating a pause while a more thorough assessment of transmission charging takes place. It is my expectation that additional modifications will be raised and these will replace any modification put in place by this process. Hence when assessing the modification proposals currently in front of the workgroup, I believe that any approved modification will be short lived and therefore it only adds to code complexity if modifications have time limited changes in them (for example in a number of WACMs have changes to charging in 2033).

## Facilitating Competition

5. The capacity market auctions held in 2014 and 2015 were competitive processes where generation and demand management competed to provide capacity for the years starting October 2018 and 2019. In these auctions, a range of new capacity was brought forward including both distribution and transmission connected generation along with demand management.
6. If embedded benefit were removed to distribution connected capacity awarded agreements in these auctions, it is highly unlikely that these projects would ever be constructed. Loss of this capacity would mean that, in order to meet security of supply, replacement capacity would have to be secured. Seeking to buy capacity unexpectedly and at short notice will result in few potential providers competing potentially leading to very high prices to procure this capacity (consider the price of 88.18 GBP/kW paid to tender number 18 in the SBR tender for winter 16/17), with this squeeze potentially being maintained until 2020. Effectively cancelling capacity already procured for the period up until 2020 and then having to buy replacements at short notice from limited providers damages competition in the supply and generation of electricity.
7. I initially referred to the benefit of removing the ability of new generation to avoid the triad charge without defining “new”. My arguments on facilitating competition are based on ensuring that capacity awarded agreements in the 2014 and 2015 auctions is delivered. The definition of “new” could therefore be (i) all plant except existing plant plus and new build awarded a CM agreement for 2014 and/or 2015; or (ii) or plant commissioned by a certain date (the choice of date needs to be far enough in the future to capture ongoing developments, but not so late that new projects are treated as existing). Mid 2017 appears to provide an appropriate balance depending on the notice given to developers.
8. In terms of the level of the demand residual to pay to existing embedded generators to keep them whole it could either be the residual level as calculated via the normal process (this was presumably part of the business case for the new generation) or it could be to hold it at the current level and fix it at the current level of GBP 45.33 /kW and there is merit in both alternatives. Given the current forecast rise of the demand residual a more balanced solution may be to freeze the payment to existing generation at current levels.

## Grandfathering and Discrimination

9. It is quite possible for different parties to receive the same service from the same provider but pay different prices for it without it been discrimination. An obvious energy industry example would be two parties could buy a future for winter '17 power on an exchange. Both parties would receive exactly the same product, from the same provider, but pay a different price for it. This is because the price of a forward product varies with time. It would become discriminatory if both parties went to the exchange at the same time, but only one party was could access the best price.
10. Modifications are arguably not discriminatory where they offer the same price to all parties who accessed the market at the same time. Modifications which introduce pricing that differentiates between parties (for example CMP 265 original, where you price of network access is a function of if you hold a capacity market agreement or not, not you access to or use of the transmission

system) appear discriminatory, and it is difficult to argue that they either cost reflective or that they facilitate competition.

#### Cost Reflective Pricing

11. All of these proposals vary the charge that is recovered from a supplier, and as part of the process, we need to see the impact on cost reflectivity of these charges. A supplier currently pays its TNUoS demand charge based on its use of the transmission system, and if it uses the transmission system less (by active demand management, transferring customers to another supplier or by sourcing the generation from sources that do not require use of the transmission system) its charges fall accordingly. All of the modification proposals introduce a level gross charging, although the extent varies significantly between different options. The impact is driven by the level of embedded generation captured by the proposal and the level of charge applied to the different categories.
12. It does not appear plausible that any use of system charge based on gross demand can be more cost reflective than one based on net demand, and hence gross charging, by itself, cannot be seen as better meeting the CUSC objectives. When voting in favour of certain proposals I try to balance the damage done to this objective against the benefits from other elements.

<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Nick Sillito for Mark Draper						
Original	YES	YES	-	-	-	YES	<p>This modification creates a “pause” in the investment for new embedded generation which will provide time to properly assess if the current locational signals are correct.</p> <p>It maintains the current pricing for investment decisions already made and therefore secures the business case for existing and already committed projects and therefore facilitates competition</p>
WACM1	NO	NO	-	-	no	NO	<p>Removing (or substantially reducing) the residual charge is likely to reduce the generation expected in 2018 and later years, damaging competition in generation.</p>

							The supplier charge become less cost reflective
WACM2	No	No	-	-	-	No	Removing (or substantially reducing) the residual charge is likely to reduce the generation expected in 2018 and later years, damaging competition in generation.  The supplier charge become less cost reflective
WACM3	No	No	-	-	-	No	Removing (or substantially reducing) the residual charge will reduce the generation built and therefore damage generation competition in 2018 and later years.  The supplier charge become less cost reflective.
WACM4	No	No	-	-	-	No	Removing (or substantially reducing) the residual charge will reduce the generation built and therefore damage generation competition in 2018 and later years.  The supplier charge become less cost reflective.
WACM5	No	No	-	-	-	No	Removing (or substantially reducing) the residual charge will reduce the generation built and therefore damage generation competition in 2018 -

							and later years. The supplier charge become less cost reflective.
WACM6	No	No	-	-	-	No	Removing (or substantially reducing) the residual charge will reduce the generation built and therefore damage generation competition in 2018 and later years. The supplier charge becomes less cost reflective.
WACM7	No	No	-	-	No	No	Removing (or substantially reducing) the residual charge will reduce the generation built and therefore damage generation competition in 2018 and later years. The supplier charge becomes less cost reflective The step down phasing adds to the complexity of the code administration.
WACM8	No	No	-	-	-	No	Reducing (or substantially reducing) the residual charge may reduce the generation built and therefore damage generation competition in 2018 and later years. The supplier charge becomes less cost reflective

WACM9	No	No	-	-	No	No	<p>The reduced the residual charge may reduce the generation built and therefore damage generation competition in 2018 and later years.</p> <p>The supplier charge become less cost reflective.</p>
WACM10	Yes	Yes	-	-	-	Yes	<p>Maintains the new build and therefore facilitates completion. Does not create the pause to properly review charges.</p> <p>The case for better meeting the objectives is marginal.</p>
WACM11	Yes	Yes	-	-	-	Yes	<p>Maintains the new build and therefore facilitates completion. Does not create the pause to properly review charges</p>
WACM12	No	No	-	-	no	No	<p>Maintains new build and therefore facilitates competition. Creates a pause for new build. Extra complexity from adding end date resulting in loss of efficiency from CUSC implementation</p> <p>The grandfathering of just CM 2014 and 2015 agreements plus CFD appears to create a range of discrimination against owners of existing plant that have invested in good faith in the past</p>

WACM13	NO	No	-	-	no	No	<p>Maintains new build and therefore facilitates competition. Creates a pause for new build. Extra complexity from adding end date resulting in loss of efficiency from CUSC implementation</p> <p>The grandfathering of just CM 2014 and 2015 agreements plus CFD appears to create a range of discrimination against owners of existing plant that have invested in good faith in the past</p>
WACM14	No	No	-	-	no	No	<p>Maintains new build and therefore facilitates competition. Creates a pause for new build. Extra complexity from adding end date resulting in loss of efficiency from CUSC implementation.</p> <p>The grandfathering of just CM 2014 and 2015 agreements plus CFD appears to create a range of discrimination against owners of existing plant that have invested in good faith in the past</p>
WACM15	No	No	-	-	no	No	<p>Maintains new build and therefore facilitates competition. Creates a pause for new build. Extra complexity from adding end date resulting in loss of efficiency from CUSC implementation.</p> <p>The grandfathering of just CM 2014 and 2015 agreements plus CFD appears to create a range of discrimination against owners of existing plant that</p>

							have invested in good faith in the past
WACM16	No	No	-	-	no	No	<p>Maintains new build and therefore facilitates competition. Creates a pause for new build. Extra complexity from adding end date resulting in loss of efficiency from CUSC implementation.</p> <p>The grandfathering of just CM 2014 and 2015 agreements plus CFD appears to create a range of discrimination against owners of existing plant that have invested in good faith in the past</p>
WACM17	No	No	-	-	no	No	<p>Maintains new build and therefore facilitates competition. Creates a pause for new build. Extra complexity from adding end date resulting in loss of efficiency from CUSC implementation.</p> <p>The grandfathering of just CM 2014 and 2015 agreements plus CFD appears to create a range of discrimination against owners of existing plant that have invested in good faith in the past</p>
WACM18	No	No	-	-	no	No	<p>Non grandfathered generation appears to get a higher level of payment than grandfathered under this proposal. This would appear to create incentive to default on a CM agreement which could potentially have damaging effects on competition.</p>

WACM19	YES	YES	-	-	-	YES	<p>This modification creates a “pause” in the investment for new embedded generation which will provide time to properly assess if the current locational signals are correct.</p> <p>It maintains the current pricing for investment decisions already made and therefore secures the business case for existing and already committed projects and therefore facilitates competition.</p> <p>The fixed price of Triad avoidance paid to embedded generation prevents a runaway of the value of the Triad</p>
WACM20	YES	YES	-	-	no	Yes	<p>This modification creates a “pause” in the investment for new embedded generation which will provide time to properly assess if the current locational signals are correct.</p> <p>It maintains the current pricing for investment decisions already made and therefore secures the business case for existing and already committed projects and therefore facilitates competition.</p> <p>The fixed price of Triad avoidance paid to embedded generation prevents a runaway of the value of the Triad.</p> <p>Late changes may make code administration less</p>

							<p>efficient.</p> <p>The later cut-off date could allow additional uncommitted new build onto the system.</p>
WACM21	YES	YES	-	-	no	No	<p>This modification creates a “pause” in the investment for new embedded generation which will provide time to properly assess if the current locational signals are correct.</p> <p>It maintains the current pricing for investment decisions already made and therefore secures the business case for existing and already committed projects and therefore facilitates competition.</p> <p>The fixed price of Triad avoidance paid to embedded generation prevents a runaway of the value of the Triad.</p> <p>Late changes may make code administration less efficient.</p> <p>The later cut-off date could allow additional uncommitted new build onto the system.</p>
WACM22	Yes	Yes	-	-	no	Yes	<p>This modification creates a “pause” in the investment for new embedded generation which will provide time to properly assess if the current</p>

							<p>locational signals are correct.</p> <p>It maintains the current pricing for investment decisions already made and therefore secures the business case for existing and already committed projects and therefore facilitates competition.</p> <p>The fixed price of Triad avoidance paid to embedded generation prevents a runaway of the value of the Triad.</p> <p>Late changes may make code administration less efficient.</p> <p>The later cut-off date could allow additional uncommitted new build onto the system.</p>
WACM23	No	No	-	-	no	No	<p>It is questionable if the level of £34.11 /kW would deliver enough of the expected volume to new generation required to facilitate competition in 2018 and subsequent years.</p> <p>Some code complexity introduced by changing payments after 10 years</p>

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Insert name}						
Original							NA
WACM1							NA
WACM2							NA
WACM3							NA
WACM4							NA

WACM5							NA
WACM6							NA
WACM7							NA
WACM8							NA
WACM9	No	No	-	-	no	No	Whilst this modification facilitates competition in the generation of electricity by preserving the proper competitive process of the capacity market for delivery years 2018 and later, the alternate is inferior to the original in that it still rewards new embedded generation ahead of a proper assessment on the correctness of the locational signal
WACM10	No	No	-	-	no	No	Whilst this modification facilitates competition in the generation of electricity by preserving the proper competitive process of the capacity market for delivery years 2018 and later, the alternate is inferior to the original in that it still rewards new embedded generation ahead of a proper assessment on the correctness of the locational signal

WACM11							NA
WACM12							NA
WACM13							NA
WACM14							NA
WACM15							NA
WACM16							NA
WACM17							NA
WACM18							NA
WACM19	YES	-	-	-	-	YES	This modification has all the benefits of the original, but sets the residual at a level that would be consistent with investment cases and prevents a price runaway
WACM20	NO	-	-	-	no	NO	The later cut-off date appears to run the risk of additional generation investment that may be

							<p>incorrectly sighted, compared to the cut-off date of the original.</p> <p>Adjustments to payments in 2033 add to the complexity of code administration</p>
WACM21	NO	-	-	-		NO	<p>The later cut-off date appears to run the risk of additional generation investment that may be incorrectly sighted, compared to the cut-off date of the original.</p> <p>Adjustments to payments in 2033 add to the complexity of code administration</p>
WACM22	NO	-	-	-		NO	<p>The later cut-off date appears to run the risk of additional generation investment that may be incorrectly sighted, compared to the cut-off date of the original.</p>
WACM23							NA

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member Nick Sillito (for Mark Draper)</p>	<p>WACM 19</p>	<p>This proposal achieves a pause in the incentive to locate new generation on embedded networks allowing for a proper assessment of network charging to take place.</p> <p>It also maintains the incentive to invest in new plant that was awarded 2014 or 2015 CM agreements, the loss of which could cause a supply squeeze in around 2018 and damage competition in the supply and generation of electricity.</p> <p>Its variation over the original proposal of fixing the residual that can be avoided by embedded generation removes the risk of a “price runaway” whilst the assessment is taking place.</p> <p>Whilst the modification will make charges to suppliers less cost reflective, its initial impact is relatively low, and</p>

		this should be balanced by reducing the risk that generation may be locating incorrectly due to issues with the current charging rules.
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Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
Nick Sillito (for Mark Draper)							
Original	No	No	-	-	-	No	<p>This modification removes the avoided triad charge from generation awarded a capacity market agreement. This means that some of the generation awarded capacity agreements in the 2014 and 2015 auctions may not be built because of the loss of an income stream. This would be damaging to competition in generation in 2018 and later years.</p> <p>It is implausible that the transmission charges can be more cost reflective if two otherwise identical generators face different charges because one holds a CM agreement and one does not.</p>
WACM1	No	No	-	-	no	No	Removing the residual charge will reduce the

							generation competing 2018 and later years The supplier charge become less cost reflective
WACM2	No	No	-	-	-	No	Removing the residual charge will reduce the generation competing in 2018 and later years. The supplier charge become less cost reflective
WACM3	No	No	-	-	-	No	Removing the residual charge will reduce the generation competing in 2018 and later years. The supplier charge become less cost reflective
WACM4	No	No	-	-	-	No	Removing the residual charge will reduce the generation built and therefore damage generation competition in 2018 and later years. The supplier charge become less cost reflective
WACM5	No	No	-	-	-	No	Removing the residual charge will reduce the generation built and therefore damage generation competition in 2018 and later years. The supplier charge become less cost reflective
WACM6	No	No	-	-	-	No	Removing the residual charge will reduce the

							generation built and therefore damage generation competition in 2018 and later years.  The supplier charge become less cost reflective
WACM7	No	No	-	-	No	Mo	Removing the residual charge will reduce the generation built and therefore damage generation competition in 2018 and later years.  The supplier charge become less cost reflective  The step down phasing adds to the complexity of the code administration.
WACM8	No	No	-	-	-	No	Reducing the residual charge may reduce the generation built and therefore damage generation competition in 2018 and later years.  The supplier charge become less cost reflective
WACM9	No	No	-	-	no	No	The reduced the residual charge may reduce the generation built and therefore damage generation competition in 2018 and later years.  The supplier charge become less cost reflective
WACM10	Yes	Yes	-	-	-	Yes	Maintains the new build and therefore facilitates completion. Does not create the pause to properly

							review charges
WACM11	Yes	Yes	-	-	-	Yes	Maintain the new build and therefore facilitates completion. Does not create the pause to properly review charges
WACM12	No	No	-	-	no	No	Maintains new build and therefore facilitates competition. Creates a pause for new build. Extra complexity from adding end date resulting in loss of efficiency from CUSC implementation  The grandfathering of just CM 2014 and 2015 agreements plus CFD appears to create a range of discrimination against owners of existing plant that have invested in good faith in the past
WACM13	NO	No	-	-	No	No	Maintains new build and therefore facilitates competition. Creates a pause for new build. Extra complexity from adding end date resulting in loss of efficiency from CUSC implementation  The grandfathering of just CM 2014 and 2015 agreements plus CFD appears to create a range of discrimination against owners of existing plant that have invested in good faith in the past

WACM14	No	No	-	-	No	No	<p>Maintains new build and therefore facilitates competition. Creates a pause for new build. Extra complexity from adding end date resulting in loss of efficiency from CUSC implementation.</p> <p>The grandfathering of just CM 2014 and 2015 agreements plus CFD appears to create a range of discrimination against owners of existing plant that have invested in good faith in the past</p>
WACM15	No	No	-	-	No	No	<p>Maintains new build and therefore facilitates competition. Creates a pause for new build. Extra complexity from adding end date resulting in loss of efficiency from CUSC implementation.</p> <p>The grandfathering of just CM 2014 and 2015 agreements plus CFD appears to create a range of discrimination against owners of existing plant that have invested in good faith in the past</p>
WACM16	No	No	-	-	no	No	<p>Maintains new build and therefore facilitates competition. Creates a pause for new build. Extra complexity from adding end date resulting in loss of efficiency from CUSC implementation.</p> <p>The grandfathering of just CM 2014 and 2015 agreements plus CFD appears to create a range of discrimination against owners of existing plant that</p>

							have invested in good faith in the past
WACM17	No	No	-	-	No	No	<p>Maintains new build and therefore facilitates competition. Creates a pause for new build. Extra complexity from adding end date resulting in loss of efficiency from CUSC implementation.</p> <p>The grandfathering of just CM 2014 and 2015 agreements plus CFD appears to create a range of discrimination against owners of existing plant that have invested in good faith in the past</p>
WACM18	No	No	-	-	No	No	<p>Non grandfathered generation appears to get a higher level of payment than grandfathered under this proposal. This would appear to create incentive to default on a CM agreement which could potentially have damaging effects on competition.</p>

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Nick Sillito (for Mark Draper)						
Original							NA
WACM1							NA

WACM2							NA
WACM3							NA
WACM4							NA
WACM5							NA
WACM6							NA
WACM7							NA
WACM8							NA
WACM9							NA
WACM10	Yes	Yes			-	Yes	Maintains the new build and therefore facilitates completion. Does not create the pause to properly review charges
WACM11	Yes	Yes			-	Yes	Maintains the new build and therefore facilitates completion. Does not create the pause to properly

							review charges
WACM12							NA
WACM13							NA
WACM14							NA
WACM15							NA
WACM16							NA
WACM17							NA
WACM18							NA

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Nick Sillito (for Mark Draper)	WACM 10	<p>In my view, this option is very marginally better than the current baseline</p> <p>The option protects the embedded new build already in the market and therefore facilitates competition in the supply and generation of electricity for the next few years, whilst preventing a windfall if the residual charge</p>

		<p>were to rise as forecast.</p> <p>However, the option does not significantly reduce the embedded benefit to uncommitted new generation, and therefore <i>if</i> there is an issue with the current charging regime it will not prevent incorrect investment decisions from being made whilst a proper review takes place.</p> <p>In my view, significantly better alternates exist under CMP 264.</p>
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Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Nick Sillito for Mark Draper						
Original	No	No	No	No	No	<p>Standalone, against the current CUSC baseline, none of these proposals better facilities the CUSC objectives. Note that if the Authority were to approve CMP 264 or one of the CMP 264 WCAMs I would then be of the view that matching CMP 269 modification alternate would then better meet the relevant CUSC objectives.</p>
WACM1	No	No	No	No	No	
WACM2	No	No	No	No	No	
WACM3	No	No	No	No	No	
WACM4	No	No	No	No	No	
WACM5	No	No	No	No	No	

WACM6	No	No	No	No	No
WACM7	No	No	No	No	No
WACM8	No	No	No	No	No
WACM9	No	No	No	No	No
WACM10	No	No	No	No	No
WACM11	No	No	No	No	No
WACM12	No	No	No	No	No
WACM13	No	No	No	No	No
WACM14	No	No	No	No	No
WACM15	No	No	No	No	No
WACM16	No	No	No	No	No

WACM17	No	No	No	No	No
WACM18	No	No	No	No	No
WACM19	No	No	No	No	No
WACM20	No	No	No	No	No
WACM21	No	No	No	No	No
WACM22	No	No	No	No	No
WACM23	No	No	No	No	No

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO	Better facilitates ACO	Better facilitates ACO	Better facilitates ACO	Overall (Y/N)	Rationale
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	(a)	(b)?	(c)?	(d)?		
	Workgroup member {INSERT NAME}					
Original	No	No	No	No	No	<p>Standalone, against the current CUSC baseline, none of these proposals better facilities the CUSC objectives. Note that if the Authority were to approve CMP 264 or one of the CMP 264 WCAMs I would then be of the view that matching CMP 269 modification alternate would then better meet the relevant CUSC objectives.</p>
WACM1	No	No	No	No	No	
WACM2	No	No	No	No	No	
WACM3	No	No	No	No	No	
WACM4	No	No	No	No	No	
WACM5	No	No	No	No	No	
WACM6	No	No	No	No	No	
WACM7	No	No	No	No	No	
WACM8	No	No	No	No	No	

WACM9	No	No	No	No	No
WACM10	No	No	No	No	No
WACM11	No	No	No	No	No
WACM12	No	No	No	No	No
WACM13	No	No	No	No	No
WACM14	No	No	No	No	No
WACM15	No	No	No	No	No
WACM16	No	No	No	No	No
WACM17	No	No	No	No	No
WACM18	No	No	No	No	No
WACM19	No	No	No	No	No

WACM20	No	No	No	No	No
WACM21	No	No	No	No	No
WACM22	No	No	No	No	No
WACM23	No	No	No	No	No

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member Nick Sillito for Mark Draper	None/ No change (post voting changed in session to WACM 19)	Against the current CUSC baseline, no modification provides any improvement.  If the Authority were to approve CMP 264 or a CMP 264 WACM then my view would be that the matching CMP 269 modification would better meet the CUSC objectives.

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Nick Sillito for Mark Draper						
Original	No	No	No	No	No	<p>Standalone, against the current CUSC baseline, none of these proposals better facilitates the CUSC objectives. Note that if the Authority were to approve CMP 265 or one of the CMP 265 WCAMs I would then be of the view that matching CMP 270 modification alternate would then better meet the relevant CUSC objectives.</p>
WACM1	No	No	No	No	No	
WACM2	No	No	No	No	No	
WACM3	No	No	No	No	No	
WACM4	No	No	No	No	No	
WACM5	No	No	No	No	No	

WACM6	No	No	No	No	No
WACM7	No	No	No	No	No
WACM8	No	No	No	No	No
WACM9	No	No	No	No	No
WACM10	No	No	No	No	No
WACM11	No	No	No	No	No
WACM12	No	No	No	No	No
WACM13	No	No	No	No	No
WACM14	No	No	No	No	No
WACM15	No	No	No	No	No
WACM16	No	No	No	No	No

WACM17	No	No	No	No	No
WACM18	No	No	No	No	No

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Nick Sillito for Mark Draper						
Original	No	No	No	No	No	Standalone, against the current CUSC baseline, none of these proposals better facilitates the CUSC objectives. Note that if the Authority were to approve CMP 265 or one of the CMP 265 WCAMs I would then be of the view that matching CMP 270 modification alternate would then better
WACM1	No	No	No	No	No	
WACM2	No	No	No	No	No	

WACM3	No	No	No	No	No
WACM4	No	No	No	No	No
WACM5	No	No	No	No	No
WACM6	No	No	No	No	No
WACM7	No	No	No	No	No
WACM8	No	No	No	No	No
WACM9	No	No	No	No	No
WACM10	No	No	No	No	No
WACM11	No	No	No	No	No
WACM12	No	No	No	No	No
WACM13	No	No	No	No	No

meet the relevant CUSC objectives.

WACM14	No	No	No	No	No
WACM15	No	No	No	No	No
WACM16	No	No	No	No	No
WACM17	No	No	No	No	No
WACM18	No	No	No	No	No

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Nick Sillito for Mark Draper	None/No change (AT the voting meeting amended to WACM 10)	Against the current CUSC baseline, no modification provides any improvement.  If the Authority were to approve CMP 265 or a CMP 265 WACM then my view would be that the matching CMP

		269 modification would better meet the CUSC objectives.
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Bill Reed						
Original	No	No	No	Neutral	No	No	Objective (a): The modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly

						<p>those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission</p>
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						<p>system (Objective (b)).</p> <p>Objective (c): The proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and</p>
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							administration of the system charging methodology (Objective (e)).
WACM1	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of

						<p>electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a</p>
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							<p>different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM2	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo

						<p>discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the</p>
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						<p>transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards</p>
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							<p>the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM3	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect</p>

						<p>the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission</p>
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						<p>licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is</p>
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							based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM4	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to

						<p>demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements</p>
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						<p>will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different</p>
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							treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM5	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of

						<p>electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the</p>
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						<p>transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective</p>
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							(e)).
WACM6	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed</p>

						<p>alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that</p>
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							<p>the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM7	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date.

						<p>Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges</p>
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						<p>that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the</p>
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							<p>developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM8	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system.</p>

						<p>In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring</p>
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						<p>of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and</p>
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							arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM9	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly

						<p>those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that</p>
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						<p>users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the</p>
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							proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM10	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not

						<p>facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by</p>
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						<p>treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
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WACM11	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission</p>
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						<p>businesses.. The new alternative charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and</p>
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							Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM12	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition

						<p>in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative</p>
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						<p>proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system</p>
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							charging methodology (Objective (e)).
WACM13	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).

						<p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of</p>
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							<p>the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM14	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users

						<p>relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new</p>
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						<p>arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal</p>
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							<p>will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM15	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by</p>

						<p>users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission</p>
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						<p>businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination</p>
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							in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM16	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and

						<p>those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs</p>
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						<p>that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the</p>
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							transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM17	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is

						<p>consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology</p>
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						<p>with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
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WACM18	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that</p>
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						<p>does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the</p>
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							<p>National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM19	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will</p>

						<p>fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of</p>
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						<p>customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses</p>
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							<p>(Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM20	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new</p>

						<p>distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative</p>
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						<p>locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement</p>
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							systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM21	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be

						<p>detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p>
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						<p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and</p>
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							administration of the system charging methodology (Objective (e)).
WACM22	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of

						<p>electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a</p>
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							<p>different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM23	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce undo

						<p>discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the</p>
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						<p>transmission system. The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new alternative charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards</p>
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						<p>the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
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## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Bill Reed						
Original	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those

						<p>who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that</p>
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						<p>do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that</p>
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							reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM1	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the

						<p>modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission</p>
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						<p>system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission</p>
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							system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM2	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the

						<p>generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative</p>
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						<p>proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote</p>
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							efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM3	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent

						<p>therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging</p>
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						<p>methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system</p>
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							charging methodology (Objective (e)).
WACM4	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution

						<p>and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes</p>
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						<p>of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
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WACM5	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed</p>
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						<p>alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission</p>
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							<p>system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM6	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further

						<p>discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that</p>
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						<p>does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are</p>
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							<p>required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM7	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date.</p>

						<p>Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the</p>
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						<p>transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission</p>
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							<p>System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM8	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs</p>

						<p>will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges</p>
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						<p>that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not</p>
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							<p>properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM9	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will</p>

						<p>not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of</p>
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						<p>customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission</p>
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							<p>licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM10	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the</p>

						<p>transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission</p>
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						<p>licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p>
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							Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM11	No	No	No	Neutral	No	No	Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject

						<p>to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges do not reflect the costs incurred by transmission licensees in their transmission businesses. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the</p>
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						<p>transmission charging methodology with the Security Standard. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
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WACM12	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed</p>
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						<p>alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission</p>
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							<p>system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM13	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further

						<p>discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that</p>
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						<p>does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are</p>
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							<p>required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM14	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date.</p>

						<p>Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the</p>
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						<p>transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission</p>
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							<p>System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM15	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs</p>

						<p>will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges</p>
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						<p>that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not</p>
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							<p>properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM16	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will</p>

						<p>not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of</p>
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						<p>customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission</p>
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							<p>licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM17	No	No	No	Neutral	No	No	<p>Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the</p>

						<p>transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission</p>
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						<p>licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p>
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							Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM18	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will

						<p>introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the</p>
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						<p>flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing</p>
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							discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM19	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared

						<p>with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the</p>
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						<p>relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and</p>
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							require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM20	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand

						<p>transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will</p>
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						<p>result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for</p>
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							National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM21	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those

						<p>behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users</p>
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						<p>have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of</p>
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							different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM22	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to

						<p>effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p>
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						<p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative</p>
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							proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM23	No	No	No	Neutral	No	No	Objective (a): The alternative modification will introduce further discrimination between users relating to an arbitrary cut-off date. Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity

						<p>and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the</p>
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						<p>transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation</p>
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							and administration of the system charging methodology (Objective (e)).
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**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	None	<p>The proposals and the alternatives will <b>not</b> better meet the relevant CUSC Objectives for the reasons outlined in relation to each modification proposal.</p> <p>Furthermore, I am concerned that any views against the applicable objectives may be unsafe. In particular</p>

		<p>I would highlight the following:</p> <ol style="list-style-type: none"><li>1. The modification proposals and their alternatives raise issues associated with discrimination (before/after a date, new/existing, capacity market contracts/non cm contracts, exporting/behind the meter). While the proposers have sought to justify their option, the working group has not evaluated the specific proposals and the potential impact on the wider market arising through the distortions associated with discrimination;</li><li>2. The modification proposals and their variants introduce significant administrative complexity for suppliers and impact significantly on supplier commercial relationships with customers. These effects have not been assessed fully and we do not have a full understanding of the implications of these changes for the wider electricity market;</li><li>3. The modification proposals and their variants introduce further distortions into the electricity market through for example flooring or use of the generation residual for demand customers. It is clear that there is the potential for a significant move away from cost reflectivity in all of the proposals, and I do not believe that this has been well understood by the group;</li><li>4. The concentration on developing alternatives has taken away the possibility of properly evaluating</li></ol>
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		<p>the proposals based on evidence and wider consultation given the accelerated timescales; and</p> <p>5. The development of options to place in front of the authority is an area of concern. I do not believe that the creation of options is compatible with the CUSC objectives or with the efficiency of the CUSC process.</p>
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Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP265:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	Workgroup member Bill Reed						
Original	No	No	No	Neutral	No	No	Objective (a): The modification will introduce undo discrimination between users. Under the proposed modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification

						<p>will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The proposal will misalign the transmission charging</p>
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						<p>methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
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WACM1	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative</p>
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						<p>locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and</p>
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							Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM2	No	No	No	Neutral	No	No	Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective

							<p>(a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission</p>
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							<p>licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM3	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not</p>

						<p>(particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the</p>
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							<p>transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM4	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will</p>

						<p>not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission</p>
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						<p>system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in</p>
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							the implementation and administration of the system charging methodology (Objective (e)).
WACM5	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not</p>

						<p>better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in</p>
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							supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM6	No	No	No	Neutral	No	No	Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and

						<p>supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to</p>
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							<p>meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM7	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce</p>

						<p>new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology</p>
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						<p>with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
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WACM8	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative</p>
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						<p>locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and</p>
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							Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM9	No	No	No	Neutral	No	No	Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective

							<p>(a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission</p>
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							<p>licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM10	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not</p>

						<p>(particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the</p>
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							<p>transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM11	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will</p>

						<p>not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission</p>
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						<p>system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in</p>
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							the implementation and administration of the system charging methodology (Objective (e)).
WACM12	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not</p>

						<p>better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in</p>
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							supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM13	No	No	No	Neutral	No	No	Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and

						<p>supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to</p>
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							<p>meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM14	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce</p>

						<p>new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology</p>
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						<p>with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
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WACM15	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative</p>
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						<p>locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and</p>
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							Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM16	No	No	No	Neutral	No	No	Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective

							<p>(a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission</p>
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							<p>licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM17	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not</p>

						<p>(particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the</p>
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							<p>transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM18	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will</p>

						<p>not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce new distortions in the electricity market between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the alternative modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in tariffs that do not reflect the costs that users have imposed on the transmission</p>
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						<p>system (Objective (b)).</p> <p>Objective (c): The alternative proposal will misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the alternative modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the proposal will not promote efficiency in</p>
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							the implementation and administration of the system charging methodology (Objective (e)).
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## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Bill Reed						
Original	No	No	No	Neutral	No	No	Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the

						<p>generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative</p>
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						<p>proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system</p>
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							charging methodology (Objective (e)).
WACM1	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will</p>

						<p>introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are</p>
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							<p>required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM2	No	No	No	Neutral	No	No	Objective (a): Under the proposed alternative modification transmission tariffs will fail to

						<p>provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in</p>
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						<p>relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission</p>
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							<p>licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM3	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between</p>

						<p>users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new</p>
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						<p>charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National</p>
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							Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM4	No	No	No	Neutral	No	No	Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent

						<p>therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology</p>
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						<p>with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
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WACM5	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the</p>
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						<p>transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards</p>
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							<p>the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM6	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification</p>

						<p>will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring</p>
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						<p>of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging</p>
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							<p>principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM7	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to</p>

						<p>effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p>
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						<p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the</p>
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							implementation and administration of the system charging methodology (Objective (e)).
WACM8	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed</p>

						<p>alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that</p>
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							<p>the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM9	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals</p>

						<p>to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of</p>
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						<p>customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses</p>
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							<p>(Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM10	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand</p>

						<p>transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in</p>
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						<p>discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the</p>
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							different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM11	No	No	No	Neutral	No	No	Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate

						<p>competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by</p>
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						<p>treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
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WACM12	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the</p>
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						<p>transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards</p>
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							<p>the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM13	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification</p>

						<p>will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring</p>
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						<p>of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging</p>
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							<p>principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM14	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to</p>

						<p>effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p>
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						<p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the</p>
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							implementation and administration of the system charging methodology (Objective (e)).
WACM15	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed</p>

						<p>alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that</p>
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							<p>the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM16	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals</p>

						<p>to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of</p>
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						<p>customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses</p>
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							<p>(Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
WACM17	No	No	No	Neutral	No	No	<p>Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand</p>

						<p>transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in</p>
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						<p>discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the</p>
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							different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).
WACM18	No	No	No	Neutral	No	No	Objective (a): Under the proposed alternative modification transmission tariffs will fail to provide efficient economic signals to users and will not reflect the incremental costs imposed by users on the transmission system. In addition the alternative modification will introduce further distortions in the electricity market when compared with the original between users which are subject to demand transmission charges and those who are not (particularly those behind the meter). Therefore the modification will be detrimental to effective competition in the generation and supply of electricity and (so far as is consistent therewith) will not facilitate

						<p>competition in the sale, distribution and purchase of electricity (Objective (a)).</p> <p>Objective (b): The proposed alternative modification will introduce a charging regime that does not better reflect the investment costs in the transmission system . The new arrangements will result in charges that are essentially arbitrary in relation to certain classes of customers and do not reflect the costs incurred by transmission licensees in their transmission businesses. In particular the flooring of demand transmission tariffs at zero will distort the relative locational signals. The new charging arrangements will result in discriminatory tariffs that do not reflect the costs that users have imposed on the transmission system (Objective (b)).</p> <p>Objective (c): The alternative proposal will further misalign the transmission charging methodology with the Security Standard by</p>
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						<p>treating some classes of users of the transmission system on a different basis from other users of the transmission system. Given that the transmission licensees are required to plan and develop the National Electricity Transmission System to meet these standards the modification proposal will not properly take account of the developments in transmission licensees' transmission businesses (Objective (c)).</p> <p>Objective (e): The alternative proposal is based on introducing discrimination in supplier charging principles and arrangements and require the development of complex settlement systems (for National Grid and Suppliers) that reflect the different treatment of different users of the transmission system. Therefore the alternative proposal will not promote efficiency in the implementation and administration of the system charging methodology (Objective (e)).</p>
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**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
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<p><b>Workgroup member {Insert name}</b></p>	<p>None</p>	<p>The proposals and the alternatives will <b>not</b> better meet the relevant CUSC Objectives for the reasons outlined in relation to each modification proposal.</p> <p>Furthermore, I am concerned that any views against the applicable objectives may be unsafe. In particular I would highlight the following:</p> <ol style="list-style-type: none"> <li>1. The modification proposals and their alternatives raise issues associated with discrimination (before/after a date, new/existing, capacity market contracts/non cm contracts, exporting/behind the meter). While the proposers have sought to justify their option, the working group has not evaluated the specific proposals and the potential impact on the wider market arising through the distortions associated with discrimination;</li> <li>2. The modification proposals and their variants introduce significant administrative complexity for suppliers and impact significantly on supplier commercial relationships with customers. These effects have not been assessed fully and we do not have a full understanding of the implications of these changes for the wider electricity market;</li> <li>3. The modification proposals and their variants introduce further distortions into the electricity market through for example flooring or use of the generation residual for demand customers. It is</li> </ol>
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		<p>clear that there is the potential for a significant move away from cost reflectivity in all of the proposals, and I do not believe that this has been well understood by the group;</p> <ol style="list-style-type: none"><li>4. The concentration on developing alternatives has taken away the possibility of properly evaluating the proposals based on evidence and wider consultation given the accelerated timescales; and</li><li>5. The development of options to place in front of the authority is an area of concern. I do not believe that the creation of options is compatible with the CUSC objectives or with the efficiency of the CUSC process.</li></ol>
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member: James Anderson						
Original	Yes	Yes	Yes	Neutral	Neutral	Yes	<p>The original Proposal will mitigate the effects of the lack of a level playing field between investing in embedded generation and transmission connected generation during the period until an enduring solution can be implemented thus better facilitating competition (Applicable Objective (a)).</p> <p>The sum potentially available to new embedded generators from Triad avoidance does not reflect the avoided cost of transmission investment. Removal of a non cost-reflective payment therefore better facilitates Applicable Objective (b).</p> <p>Developments in the transmission system have led to a large increase in the value of the demand</p>

							<p>residual tariff element and the value of Triad avoidance to an unsustainable level. CMP264 Original Proposal will remove the distortion to investment decisions in new plant in and reduce the impact on consumers, better facilitating Applicable Objective (c).</p> <p>The Proposal is neutral against Objectives (d) and (e).</p>
WACM1	Yes	Yes	Yes	Neutral	Neutral	Yes	<p>Removing a non-cost reflective payment for Triad avoidance from All embedded generation will reduce distortions to investment decisions and ensure fair competition in future Capacity Market auctions better facilitating Applicable Objective (a).</p> <p>Removal of a non cost-reflective payment from All embedded generators will improve overall cost reflectivity of the charging arrangements better facilitating Applicable Objective (b).</p> <p>Developments in the transmission system have led to a large increase in the value of the demand residual tariff element and the value of Triad avoidance to an unsustainable level. CMP264 Original Proposal will remove the distortion to investment decisions in new plant in and significantly reduce the impact on consumers,</p>

							<p>better facilitating Applicable Objective (c).</p> <p>The Proposal is neutral against Objectives (d) and (e).</p>
WACM2	Yes	Yes	Yes	Neutral	Neutral	Yes	<p>Reasons as for WACM1. However, the 3 year step down in tariffs while allowing time for existing embedded generators and market arrangements to adapt, may still lead to some potential distortion in early Capacity Mechanism auctions as developers who are able to deploy early may still be able to capture some Triad avoidance value over the 3 year step down period which may be factored into their bids.</p>
WACM3	Yes	Yes	Yes	Neutral	Neutral	Yes	<p>Reasons as for WACM1. The use of the avoided GSP investment value replaces a non cost-reflective Triad avoidance value with cost-reflective one.</p>
WACM4	Yes	Yes	Yes	Neutral	Neutral	Yes	<p>Reasons as for WACM3. However, the 3 year step down in tariffs while allowing time for existing embedded generators and market arrangements to adapt, may still lead to some potential distortion in early Capacity Mechanism auctions as developers who are able to deploy early may still be able to capture some Triad avoidance value over the 3 year step down period which may be factored into their</p>

							bids.
WACM5	Yes	Yes	Yes	Neutral	Neutral	Yes	Reasons as for WACM3. However, the 3 year step down in tariffs while allowing time for existing embedded generators and market arrangements to adapt, may still lead to some potential distortion in early Capacity Mechanism auctions as developers who are able to deploy early may still be able to capture some Triad avoidance value over the 3 year step down period which may be factored into their bids.
WACM6	Yes	Yes	Yes	Neutral	Neutral	Yes	Reasons as for WACM1.
WACM7	Yes	Yes	Yes	Neutral	Neutral	Yes	Reasons as for WACM1. However, the 3 year step down in tariffs while allowing time for existing embedded generators and market arrangements to adapt, may still lead to some potential distortion in early Capacity Mechanism auctions as developers who are able to deploy early may still be able to capture some Triad avoidance value over the 3 year step down period which may be factored into their bids.
WACM8	No	No	Neutral	Neutral	Neutral	No	The value of £32.30/kW payable to both existing and new embedded generators has not been

							<p>justified as cost-reflective and will therefore perpetuate an ongoing distortion in investment decision between embedded and transmission connected generators reflected, in particular, in the Capacity Mechanism auctions. Therefore WACM8 does not better facilitate Applicable Objective (a). A Triad avoidance payment of £32.30/kw is not cost-reflective but would be marginally better than the forecast rise in the demand residual value. However, to the extent that this may be considered by some developers as ‘grandfathering’ the £32.30, this would perpetuate a non cost-reflective payment and overall would be detrimental to cost reflectivity in the longer term.</p> <p>WACM8 is neutral against Applicable Objectives (c), (d) and (e).</p>
WACM9	No	No	Neutral	Neutral	Neutral	No	<p>Reasons as for WACM8. A Triad avoidance payment of 34.11/kw (reducing to £20.12 after one year) is not cost-reflective but would be marginally better than the forecast rise in the demand residual value. However, to the extent that this may be considered by some developers as ‘grandfathering’ the £32.30, this would perpetuate a non cost-reflective payment and overall would be detrimental to cost reflectivity in the longer term.</p>

WACM10	No	No	Neutral	Neutral	Neutral	No	<p>Reasons as for WACM8. A Triad avoidance payment of £45/kw is not cost-reflective but would be marginally better than the forecast rise in the demand residual value. However, to the extent that this may be considered by some developers as ‘grandfathering’ the £45.00, this would perpetuate a non cost-reflective payment and overall would be detrimental to cost reflectivity in the longer term.</p>
WACM11	No	No	Neutral	Neutral	Neutral	No	<p>Although the demand residual and therefore the Triad avoidance value payable to all embedded generation would be reduced thus marginally improving competition, the resultant value would remain non cost-reflective as no justification has been offered as to why the demand residual value should be paid to embedded generation. This value can continue to influence the bidding behaviour of embedded generation in the Capacity Mechanism thus distorting investment decisions and competition. Therefore WACM 11 does not better facilitate Applicable Objective (a).</p> <p>As above WACM11 would perpetuate a non cost-reflective payment to embedded generation and would therefore not better facilitate Applicable Objective (b).</p> <p>WACM11 is neutral against Applicable Objectives</p>

							(c), (d) and (e).
WACM12	No	No	Neutral	Neutral	Neutral	No	<p>WACM 12 is based upon WACM1. However, 'grandfathering' a Triad avoidance payment of £45.33 (plus )RPI until 2033 for 2014/15 CM &amp; CFD contract holders embeds a distortion in the generation market between this one group of generators and all other market participants which the Original CMP264 Proposal sought to see rectified in a much shorter period. Therefore WACM12 does not better facilitate competition (Applicable Objective (a)).</p> <p>The payment of £45.33/kW to this class of embedded generators has not been justified as being cost-reflective and therefore guaranteeing such a payment until 2033 perpetuates a non cost-reflective Triad avoidance in the Charging Methodology. Therefore, WACM 12 does not better facilitate Applicable objective (b).</p> <p>WACM12 is neutral against Applicable Objectives (c), (d) and (e).</p>
WACM13	No	No	Neutral	Neutral	Neutral	No	<p>WACM13 is based upon WACM3. However, the same arguments around the payment of £45.33 to one class of generator until 2033 outlined against</p>

							WACM12 apply.
WACM14	No	No	Neutral	Neutral	Neutral	No	WACM14 is based upon WACM5. However, the same arguments around the payment of £45.33 to one class of generator until 2033 outlined against WACM12 apply.
WACM15	No	No	Neutral	Neutral	Neutral	No	WACM15 is based upon WACM6. However, the same arguments around the payment of £45.33 to one class of generator until 2033 outlined against WACM12 apply.
WACM16	No	No	Neutral	Neutral	Neutral	No	WACM16 is based upon WACM9 which does not overall better meet the Applicable Objectives. In addition, the same arguments around the payment of £45.33 to one class of generator until 2033 outlined against WACM12 apply
WACM17	No	No	Neutral	Neutral	Neutral	No	WACM17 is based upon WACM8 which does not overall better meet the Applicable Objectives. In addition, the same arguments around the payment of £45.33 to one class of generator until 2033 outlined against WACM12 apply
WACM18	No	No	Neutral	Neutral	Neutral	No	WACM18 is based upon WACM11 which does not overall better meet the Applicable Objectives. In

							addition, the same arguments around the payment of £45.33 to one class of generator until 2033 outlined against WACM12 apply.
WACM19	Yes	Yes	Yes	Neutral	Neutral	Yes	<p>As for the Original Proposal;</p> <p>Capping the payment to existing embedded generators further improves competition with Transmission connected generation (Objective (a)).</p> <p>Stopping growth in the non cost-reflective Triad value for existing embedded generation further improves overall cost-reflectivity (Objective (b)).</p>
WACM20	No	No	Neutral	Neutral	Neutral	No	<p>WACM20 defines “new Embedded Generators” as those commissioned after 31/10/18. This may still lead to some potential distortion in early Capacity Mechanism auctions as developers who are able to deploy early may still be able to capture some Triad avoidance value until 31/10/18 which may be factored into their bids. Therefore WACM20 does not better facilitate Objective (a), competition.</p> <p>In addition, similar arguments around the payment of a non cost-reflective £45.33/kW to existing generator until 2033 apply (see WACM12 comments). Therefore WACM20 does not better</p>

							facilitate Objective (b), cost reflectivity.
WACM21	No	No	Neutral	Neutral	Neutral	No	Reasons as for WACM20.
WACM22	Yes	Yes	Yes	Neutral	Neutral	Yes	Reasons the same as WACM19 (and the Original Proposal) to which WACM 22 is similar differing only in the method of flooring the locational element;  Capping the payment to existing embedded generators further improves competition with Transmission connected generation (Objective (a)).  Stopping growth in the non cost-reflective Triad value for existing embedded generation further improves overall cost-reflectivity (Objective (b)).
WACM23	No	No	Neutral	Neutral	Neutral	No	'Grandfathering' a Triad avoidance payment of £34.11 (plus RPI) for 10 years for existing embedded generators and a payment of £20.12 for new Embedded Generators embeds distortion in the generation market between embedded generators and other market participants which the Original CMP264 Proposal sought to see rectified in a much shorter period. Therefore WACM23 does not better facilitate competition (Applicable Objective (a)).  The "grandfathered" payment values to embedded

							<p>generators has not been justified as being cost-reflective and therefore guaranteeing such payments for 10 years and then indefinitely perpetuates a non cost-reflective Triad avoidance payment in the Charging Methodology. Therefore, WACM 23 does not better facilitate Applicable objective (b).</p> <p>WACM23 is neutral against Applicable Objectives (c), (d) and (e).</p>
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## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member: James Anderson						
Original	N/A	N/A	N/A	N/A	N/A	N/A	
WACM1	Yes	Yes	Neutral	Neutral	Yes	Yes	Treating all embedded generators the same ensures no discrimination between classes of generator better facilitating Objective (a), removes non cost-reflective Triad avoidance payments from all generators better facilitating Objective (b) . By avoiding the separate definition of New Embedded Generators, the implementation of WACM1 should be more efficient than the Original Proposal.
WACM2	Yes	Yes	Neutral	Neutral	Yes	Yes	Reasons similar to WACM1 but 3 year phasing will allow embedded generators and market arrangements to prepare for change.

WACM3	Yes	Yes	Neutral	Neutral	Yes	Yes	Reasons similar to WACM1.
WACM4	Yes	Yes	Neutral	Neutral	Yes	Yes	Reasons similar to WACM2.
WACM5	Yes	Yes	Neutral	Neutral	Yes	Yes	Reasons similar to WACM2.
WACM6	Yes	Yes	Neutral	Neutral	Yes	Yes	Reasons similar to WACM1.
WACM7	Yes	Yes	Neutral	Neutral	Yes	Yes	Reasons similar to WACM2.
WACM8	No	No	Neutral	Neutral	Yes	No	<p>The payment of £32.30 to all generators is not cost-reflective and perpetuates a distortion between embedded and transmission connected generation. Therefore WACM8 does not better meet Applicable Objectives (a) and (b).</p> <p>By avoiding the separate definition of New Embedded Generators, the implementation of WACM1 should be more efficient than the Original Proposal (Objective (e)).</p>
WACM9	No	No	Neutral	Neutral	Yes	No	Reasons as for WACM8.
WACM10	No	No	Neutral	Neutral	Yes	No	Reasons as for WACM8.

WACM11	No	No	Neutral	Neutral	No	No	<p>WACM11 perpetuates a different, but still non cost-reflective payment, to embedded generators and therefore does not better facilitate Applicable Objectives (a) and (b) than the Original Proposal.</p> <p>The implementation of the proposed solution appears more complex and less efficient than the Original Proposal and therefore does not better facilitate Objective (e).</p>
WACM12	No	No	Neutral	Neutral	Neutral	No	<p>Grandfathering a Triad avoidance payment of £45.3 until 2033 for 2014/15 CM &amp; CfD contract holders embeds a non cost-reflective distortion to competition in the generation market. Therefore WACM 12 does not better facilitate Applicable Objectives (a) and (b) than the Original Proposal.</p>
WACM13	No	No	Neutral	Neutral	Neutral	No	Reasons as for WACM12.
WACM14	No	No	Neutral	Neutral	Neutral	No	Reasons as for WACM12.
WACM15	No	No	Neutral	Neutral	Neutral	No	Reasons as for WACM12.
WACM16	No	No	Neutral	Neutral	Neutral	No	Reasons as for WACM12.

WACM17	No	No	Neutral	Neutral	Neutral	No	Reasons as for WACM12.
WACM18	No	No	Neutral	Neutral	Neutral	No	Reasons as for WACM12.
WACM19	Yes	Yes	Neutral	Neutral	Neutral	Yes	<p>WACM19 best meets the defect identified in CMP26 in that it ensures that future Capacity Mechanism auctions will be based on a level playing field and that embedded generation participants will not take account of non cost-reflective Triad avoidance payments in making their bids.</p> <p>Capping the Triad avoidance payment at the 2016/17 level ensures that the detriment to consumers does not increase while an enduring solution to identifying a cost-reflective payment for embedded generation is developed.</p>
WACM20	No	No	Neutral	Neutral	Neutral	No	Defining New Embedded Generators as those commissioning after 31/10/18 may lead to greater distortions in future Capacity Mechanism auctions and payment of a non cost-reflective £45.33/kW until 2033 perpetuates a distortion to competition in the generation market.
WACM21	No	No	Neutral	Neutral	Neutral	No	Reasons as for WACM20.

WACM22	Yes	Yes	Neutral	Neutral	No	Neutral	WACM22 is broadly similar to WACM19. Adding 2014/15 CM & CfD contract holders will increase the complexity of implementation and therefore it facilitates Objective (e) less well than the Original Proposal.
WACM23	No	No	Neutral	Neutral	Neutral	No	'Grandfathering' a non cost-reflective Triad avoidance payment of £34.11 (plus RPI) for 10 years for existing embedded generators and a payment of £20.12 for new Embedded Generators embeds distortion in the generation market between embedded generators and other market participants which the Original CMP264 Proposal sought to see rectified in a much shorter period. Therefore WACM23 does not better facilitate Applicable Objectives (a), competition or (b) cost-reflectivity than the Original Proposal.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member: James Anderson</p>	<p>WACM19</p>	<p>WACM19 best meets the defect identified in CMP264 in that it ensures that future Capacity Mechanism auctions will be based on a level playing field and that embedded generation participants will not take account of non cost-reflective Triad avoidance payments in making their bids.</p> <p>Capping the Triad avoidance payment at the 2016/17 level ensures that the detriment to consumers does not increase while an enduring solution to identifying a cost-reflective payment for embedded generation is developed.</p>

Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	Workgroup member : James Anderson						
Original	Yes	Yes	Yes	Neutral	Neutral	Yes	<p>Overall, CMP265 will better meet the Applicable Charging Objectives (ACOs) than the current baseline.</p> <p>CMP265 will remove a distortion in competition between investing in embedded and transmission connected generation, in particular in connection with the Capacity Market, by removing a non-cost reflective payment from embedded generation. This better facilitates Applicable Charging Objective (ACO) (a).</p> <p>CMP265 will better facilitate ACO (b) by removing a non-cost reflective payment realised by embedded generators.</p>

							<p>Developments in the transmission system, in particular the increase in the amount of embedded generation connected and a significant increase in the demand residual TNUoS tariff have resulted in payments to embedded generators which are significantly in excess of any savings in transmission investment resulting from connecting generation at a distribution level. By addressing which generators can access the demand residual TNUoS charge as an embedded benefit, CMP265 better facilitates ACO (c).</p> <p>Overall, CMP265 will better meet the Applicable Charging Objectives (ACOs) than the current baseline.</p>
WACM1	Yes	Yes	Yes	Neutral	Neutral	Yes	Reasons as for CMP265 Original Proposal.
WACM2	Yes	Yes	Yes	Neutral	Neutral	Yes	Reasons as for WACM1. In addition, phased introduction of tariffs would provide embedded generators and market arrangements time to adapt to implementation.
WACM3	Yes	Yes	Yes	Neutral	Neutral	Yes	Reasons as for CMP265 Original Proposal. In addition, introduction of a payment equivalent to avoided transmission investment (£1.62/kW)

							improves cost-reflectivity.
WACM4	Yes	Yes	Yes	Neutral	Neutral	Yes	Reasons as for WACM3 plus phased introduction of tariffs would provide embedded generators and market arrangements time to adapt to implementation.
WACM5	Yes	Yes	Yes	Neutral	Neutral	Yes	Reasons as for WACM4.
WACM6	Yes	Yes	Yes	Neutral	Neutral	Yes	Reasons as for the Original Proposal. Payment of the lowest locational value simply changes the method of flooring the demand locational element at zero.
WACM7	Yes	Yes	Yes	Neutral	Neutral	Yes	Reasons as for the Original Proposal. Payment of the lowest locational value simply changes the method of flooring the demand locational element at zero.  Phased introduction of enduring tariffs would provide embedded generators and market arrangements time to adapt to implementation.
WACM8	No	No	Neutral	Neutral	Neutral	No	Grandfathering a non cost-reflective payment of £32.30/kW to all embedded generators will perpetuate a distortion in the generation market and therefore does not better facilitate Applicable

							Objectives (a), competition, or (b), cost-reflectivity.
WACM9	No	No	Neutral	Neutral	Neutral	No	Grandfathering a non cost-reflective payment of £34.11 then £20.12/kW to all embedded generators will perpetuate a distortion in the generation market and therefore does not better facilitate Applicable Objectives (a), competition, or (b), cost-reflectivity.
WACM10	No	No	Neutral	Neutral	Neutral	No	Grandfathering a non cost-reflective payment of £45.00/kW to all embedded generators will perpetuate a distortion in the generation market and therefore does not better facilitate Applicable Objectives (a), competition, or (b), cost-reflectivity.
WACM11	No	No	Neutral	Neutral	Neutral	No	Although the demand residual and therefore the Triad avoidance value payable to all embedded generation would be reduced thus marginally improving competition, the resultant value would remain non cost-reflective as no justification has been offered as to why the demand residual value should be paid to embedded generation. This value can continue to influence the bidding behaviour of embedded generation in the Capacity Mechanism thus distorting investment decisions and competition. Therefore WACM 11 does not better

							<p>facilitate Applicable Objective (a).</p> <p>As above WACM11 would perpetuate a non cost-reflective payment to embedded generation and would therefore not better facilitate Applicable Objective (b).</p> <p>WACM11 is neutral against Applicable Objectives (c), (d) and (e).</p>
WACM12	No	No	Neutral	Neutral	Neutral	No	<p>WACM 12 is based upon WACM1. However, 'grandfathering' a Triad avoidance payment of £45.33 (plus )RPI until 2033 for 2014/15 CM &amp; CFD contract holders embeds a distortion in the generation market between this one group of generators and all other market. Therefore WACM12 does not better facilitate competition (Applicable Objective (a)).</p> <p>The payment of £45.33/kW to this class of embedded generators has not been justified as being cost-reflective and therefore guaranteeing such a payment until 2033 perpetuates a non cost-reflective Triad avoidance in the Charging Methodology. Therefore, WACM 12 does not better facilitate Applicable objective (b).</p> <p>WACM12 is neutral against Applicable Objectives</p>

							(c), (d) and (e).
WACM13	No	No	Neutral	Neutral	Neutral	No	<p>WACM 13 is based upon WACM3. However, for the reasons outlined against WACM12, the grandfathered payment to 2014/15 CM &amp; CfD contract holders means that WACM 13 does not better meet Applicable Objectives (a) and (b).</p> <p>WACM13 is neutral against Applicable Objectives (c), (d) and (e).</p>
WACM14	No	No	Neutral	Neutral	Neutral	No	<p>WACM 14 is based upon WACM5. However, for the reasons outlined against WACM12, the grandfathered payment to 2014/15 CM &amp; CfD contract holders means that WACM 14 does not better meet Applicable Objectives (a) and (b).</p> <p>WACM14 is neutral against Applicable Objectives (c), (d) and (e).</p>
WACM15	No	No	Neutral	Neutral	Neutral	No	<p>WACM 15 is based upon WACM6. However, for the reasons outlined against WACM12, the grandfathered payment to 2014/15 CM &amp; CfD contract holders means that WACM 15 does not better meet Applicable Objectives (a) and (b).</p> <p>WACM15 is neutral against Applicable Objectives</p>

							(c), (d) and (e).
WACM16	No	No	Neutral	Neutral	Neutral	No	<p>WACM 16 is based upon WACM9. However, for the reasons outlined against WACM12, the grandfathered payment to 2014/15 CM &amp; CfD contract holders means that WACM 16 does not better meet Applicable Objectives (a) and (b).</p> <p>WACM16 is neutral against Applicable Objectives (c), (d) and (e).</p>
WACM17	No	No	Neutral	Neutral	Neutral	No	<p>WACM 17 is based upon WACM8. However, for the reasons outlined against WACM12, the grandfathered payment to 2014/15 CM &amp; CfD contract holders means that WACM 17 does not better meet Applicable Objectives (a) and (b).</p> <p>WACM17 is neutral against Applicable Objectives (c), (d) and (e).</p>
WACM18	No	No	Neutral	Neutral	Neutral	No	<p>WACM 17 is based upon WACM8. However, for the reasons outlined against WACM12, the grandfathered payment to 2014/15 CM &amp; CfD contract holders means that WACM 18 does not better meet Applicable Objectives (a) and (b).</p> <p>WACM18 is neutral against Applicable Objectives</p>



## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member : James Anderson						
Original	n/a	n/a	n/a	n/a	n/a	n/a	
WACM1	Yes	Yes	Neutral	Neutral	Yes	Yes	<p>WACM1 applies to all embedded generation and the avoids any form of discrimination. It therefore better facilitates competition (Applicable Objective (a) than the Original Proposal.</p> <p>WACM1 floors the demand locational signal at zero which prevents perverse incentives to reduce generation at the time of Triad. It is therefore more cost-reflective than the Original Proposal and better facilitates Objective (b).</p> <p>As WACM1 applies to all embedded generators, implementation should be less complex and more</p>

							efficient than the Original Proposal thereby better facilitating Objective (e).
WACM2	Yes	Yes	Neutral	Neutral	Yes	Yes	Same reasons as WACM1. 3 year phasing may enable embedded generators and market arrangements to adapt during the implementation period.
WACM3	Yes	Yes	Neutral	Neutral	Yes	Yes	<p>WACM3 applies to all embedded generation and thereby avoids any form of discrimination. It therefore better facilitates competition (Applicable Objective (a)) than the Original Proposal.</p> <p>WACM3 introduces a payment to embedded generators equivalent to the avoided cost of transmission investment and is therefore slightly more cost reflective than the Original Proposal thereby better facilitating Applicable Objective (b).</p> <p>As WACM3 applies to all embedded generators, implementation should be less complex and more efficient than the Original Proposal thereby better facilitating Objective (e).</p>
WACM4	Yes	Yes	Neutral	Neutral	Yes	Yes	Same reasons as WACM3. 3 year phasing may enable embedded generators and market arrangements to adapt during the implementation period.

WACM5	Yes	Yes	Neutral	Neutral	Yes	Yes	Same reasons as WACM4.
WACM6	Yes	Yes	Neutral	Neutral	Yes	Yes	<p>WACM6 applies to all embedded generation and therefore avoids any form of discrimination. It therefore better facilitates competition (Applicable Objective (a)) than the Original Proposal.</p> <p>WACM6 floors the demand locational signal at zero which prevents perverse incentives to reduce generation at the time of Triad. It is therefore more cost-reflective than the Original Proposal and better facilitates Objective (b).</p> <p>As WACM6 applies to all embedded generators, implementation should be less complex and more efficient than the Original Proposal thereby better facilitating Objective (e).</p>
WACM7	Yes	Yes	Neutral	Neutral	Yes	Yes	Same reasons as WACM6. 3 year phasing may enable embedded generators and market arrangements to adapt during the implementation period.
WACM8	No	No	Neutral	Neutral	Neutral	No	Grandfathering a non cost-reflective payment of £32.30/kW to all embedded generators will perpetuate a distortion in the generation market and therefore does not better facilitate Applicable Objectives (a), competition, or (b), cost-reflectivity

							than the Original Proposal..
WACM9	No	No	Neutral	Neutral	Neutral	No	Grandfathering a non cost-reflective payment of £34.11 then £20.12/kW to all embedded generators will perpetuate a distortion in the generation market and therefore does not better facilitate Applicable Objectives (a), competition, or (b), cost-reflectivity than the Original Proposal.
WACM10	No	No	Neutral	Neutral	Neutral	No	Grandfathering a non cost-reflective payment of £45.00/kW to all embedded generators will perpetuate a distortion in the generation market and therefore does not better facilitate Applicable Objectives (a), competition, or (b), cost-reflectivity than the Original Proposal.
WACM11	No	No	Neutral	Neutral	No	No	Although the demand residual and therefore the Triad avoidance value payable to all embedded generation would be reduced thus marginally improving competition, the resultant value would remain non cost-reflective as no justification has been offered as to why the demand residual value should be paid to embedded generation. This value can continue to influence the bidding behaviour of embedded generation in the Capacity Mechanism thus distorting investment decisions and competition. Therefore WACM 11 does not better facilitate

							<p>Applicable Objective (a) than the Original Proposal</p> <p>As above WACM11 would perpetuate a non cost-reflective payment to embedded generation and would therefore not better facilitate Applicable Objective (b) than the Original Proposal.</p> <p>WACM11 may also be more complex to implement than the Original Proposal.</p>
WACM12	No	No	Neutral	Neutral	Neutral	No	<p>WACM 12 is based upon WACM1. 'Grandfathering' Triad avoidance payment of £45.33 (plus )RPI until 2033 for 2014/15 CM &amp; CFD contract holders embeds a distortion in the generation market between this one group of generators and all other market. Therefore WACM12 does not better facilitate competition (Applicable Objective (a)) than the Original Proposal.</p> <p>The payment of £45.33/kW to this class of embedded generators has not been justified as being cost-reflective and therefore guaranteeing such a payment until 2033 perpetuates a non cost-reflective Triad avoidance in the Charging Methodology. Therefore, WACM 12 does not better facilitate Applicable objective (b) than the Original Proposal.</p>

WACM13	No	No	Neutral	Neutral	Neutral	No	WACM 13 is based upon WACM3. Same reasons as WACM12.
WACM14	No	No	Neutral	Neutral	Neutral	No	WACM 14 is based upon WACM5. Same reasons as WACM12.
WACM15	No	No	Neutral	Neutral	Neutral	No	WACM 15 is based upon WACM6. Same reasons as WACM12.
WACM16	No	No	Neutral	Neutral	Neutral	No	WACM 16 is based upon WACM9. Same reasons as WACM12.
WACM17	No	No	Neutral	Neutral	Neutral	No	WACM 17 is based upon WACM8. Same reasons as WACM12.
WACM18	No	No	Neutral	Neutral	Neutral	No	WACM 17 is based upon WACM8. Same reasons as WACM12.

### **Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member: James Anderson	WACM4	WACM4 applies to All embedded generators thus avoiding any discrimination between different classes. It removes a non cost-reflective payment from embedded generation thus improving competition between embedded and transmission connected generation. thus better facilitation Applicable Charging Objective (b).

		Removing a non cost reflective Triad avoidance payment, retaining the cost-reflective locational signal (floored at zero) and introducing a payment which reflects the avoided cost of transmission investment will best facilitate Applicable Charging Objective (b).
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Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Workgroup member {INSERT NAME}						
Original	Neutral	Yes	Neutral	Neutral	Yes	<p>The original Proposal will mitigate the effects of the lack of a level playing field between investing in embedded generation and transmission connected generation during the period until an enduring solution can be implemented thus better facilitating competition (Applicable Objective (b)).</p> <p>The Proposal is neutral against Objectives (a), (c) and (d).</p>
WACM1	Neutral	Yes	Neutral	Neutral	Yes	<p>Removing a non-cost reflective payment for Triad avoidance from All embedded generation will reduce distortions to investment decisions and ensure fair competition in future Capacity Market</p>

						<p>auctions better facilitating Applicable Objective (b).</p> <p>The Proposal is neutral against Objectives (a), (c) and (d).</p>
WACM2	Neutral	Yes	Neutral	Neutral	Yes	<p>Reasons as for WACM1. However, the 3 year step down in tariffs while allowing time for existing embedded generators and market arrangements to adapt, may still lead to some potential distortion in early Capacity Mechanism auctions as developers who are able to deploy early may still be able to capture some Triad avoidance value over the 3 year step down period which may be factored into their bids.</p>
WACM3	Neutral	Yes	Neutral	Neutral	Yes	<p>Reasons as for WACM1.</p>
WACM4	Neutral	Yes	Neutral	Neutral	Yes	<p>Reasons as for WACM3. However, the 3 year step down in tariffs while allowing time for existing embedded generators and market arrangements to adapt, may still lead to some potential distortion in early Capacity Mechanism auctions as developers who are able to deploy early may still be able to capture some Triad avoidance value over the 3 year step down period which may be factored into their bids.</p>

WACM5	Neutral	Yes	Neutral	Neutral	Yes	Reasons as for WACM3. However, the 3 year step down in tariffs while allowing time for existing embedded generators and market arrangements to adapt, may still lead to some potential distortion in early Capacity Mechanism auctions as developers who are able to deploy early may still be able to capture some Triad avoidance value over the 3 year step down period which may be factored into their bids.
WACM6	Neutral	Yes	Neutral	Neutral	Yes	Reasons as for WACM1.
WACM7	Neutral	Yes	Neutral	Neutral	Yes	Reasons as for WACM1. However, the 3 year step down in tariffs while allowing time for existing embedded generators and market arrangements to adapt, may still lead to some potential distortion in early Capacity Mechanism auctions as developers who are able to deploy early may still be able to capture some Triad avoidance value over the 3 year step down period which may be factored into their bids.
WACM8	Neutral	No	Neutral	Neutral	No	The value of £32.30/kW payable to both existing and new embedded generators has not been justified as cost-reflective and will therefore perpetuate an ongoing distortion in investment decision between embedded and transmission

						connected generators reflected, in particular, in the Capacity Mechanism auctions. Therefore WACM8 does not better facilitate Applicable Objective (b).
WACM9	Neutral	No	Neutral	Neutral	No	Reasons as for WACM8. A Triad avoidance payment of 34.11/kw (reducing to £20.12 after one year) is not cost-reflective and may be considered by some developers as 'grandfathering" the £32.30, this would perpetuate a non cost-reflective payment and overall would be detrimental to competition..
WACM10	Neutral	No	Neutral	Neutral	No	Reasons as for WACM8. A Triad avoidance payment of £45/kw is not cost-reflective and may be considered by some developers as 'grandfathering" the £45, this would perpetuate a non cost-reflective payment and overall would be detrimental to competition..
WACM11	Neutral	No	Neutral	Neutral	No	Although the demand residual and therefore the Triad avoidance value payable to all embedded generation would be reduced thus marginally improving competition, the resultant value would remain non cost-reflective as no justification has been offered as to why the demand residual value should be paid to embedded generation. This

						value can continue to influence the bidding behaviour of embedded generation in the Capacity Mechanism thus distorting investment decisions and competition. Therefore WACM 11 does not better facilitate Applicable Objective (b).
WACM12	Neutral	No	Neutral	Neutral	No	WACM 12 is based upon WACM1. However, 'grandfathering' a Triad avoidance payment of £45.33 (plus )RPI until 2033 for 2014/15 CM & CFD contract holders embeds a distortion in the generation market between this one group of generators and all other market participants which the Original CMP264 Proposal sought to see rectified in a much shorter period. Therefore WACM12 does not better facilitate competition (Applicable Objective (b)).
WACM13	Neutral	No	Neutral	Neutral	No	WACM13 is based upon WACM3. However, the same arguments around the payment of £45.33 to one class of generator until 2033 outlined against WACM12 apply.
WACM14	Neutral	No	Neutral	Neutral	No	WACM14 is based upon WACM5. However, the same arguments around the payment of £45.33 to one class of generator until 2033 outlined against WACM12 apply.

WACM15	Neutral	No	Neutral	Neutral	No	WACM15 is based upon WACM6. However, the same arguments around the payment of £45.33 to one class of generator until 2033 outlined against WACM12 apply.
WACM16	Neutral	No	Neutral	Neutral	No	WACM16 is based upon WACM9 which does not overall better meet the Applicable Objectives. In addition, the same arguments around the payment of £45.33 to one class of generator until 2033 outlined against WACM12 apply
WACM17	Neutral	No	Neutral	Neutral	No	WACM17 is based upon WACM8 which does not overall better meet the Applicable Objectives. In addition, the same arguments around the payment of £45.33 to one class of generator until 2033 outlined against WACM12 apply
WACM18	Neutral	No	Neutral	Neutral	No	WACM18 is based upon WACM11 which does not overall better meet the Applicable Objectives. In addition, the same arguments around the payment of £45.33 to one class of generator until 2033 outlined against WACM12 apply.
WACM19	Neutral	Yes	Neutral	Neutral	Yes	As for the Original Proposal; Capping the payment to existing embedded generators further improves competition with

						Transmission connected generation (Objective (a)).
WACM20	Neutral	No	Neutral	Neutral	No	WACM20 defines “new Embedded Generators” as those commissioned after 31/10/18. This may still lead to some potential distortion in early Capacity Mechanism auctions as developers who are able to deploy early may still be able to capture some Triad avoidance value until 31/10/18 which may be factored into their bids. Therefore WACM20 does not better facilitate Objective (b), competition.
WACM21	Neutral	No	Neutral	Neutral	No	Reasons as for WACM20.
WACM22	Neutral	Yes	Neutral	Neutral	Yes	Reasons the same as WACM19 (and the Original Proposal) to which WACM 22 is similar differing only in the method of flooring the locational element;  Capping the payment to existing embedded generators further improves competition with Transmission connected generation (Objective (b)).
WACM23	Neutral	No	Neutral	Neutral	No	‘Grandfathering’ a Triad avoidance payment of

						<p>£34.11 (plus RPI) for 10 years for existing embedded generators and a payment of £20.12 for new Embedded Generators embeds distortion in the generation market between embedded generators and other market participants which the Original CMP264 Proposal sought to see rectified in a much shorter period. Therefore WACM23 does not better facilitate competition (Applicable Objective (b)).</p>
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## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member: James Anderson					
Original	n/a	n/a	n/a	n/a	n/a	
WACM1	Neutral	Yes	Neutral	Yes	Yes	Treating all embedded generators the same ensures no discrimination between classes of generator better facilitating Objective (a).. By avoiding the separate definition of New Embedded Generators, the implementation of WACM1 should be more efficient than the Original Proposal.
WACM2	Neutral	Yes	Neutral	Yes	Yes	Reasons similar to WACM1 but 3 year phasing will allow embedded generators and market

						arrangements to prepare for change.
WACM3	Neutral	Yes	Neutral	Yes	Yes	Reasons similar to WACM1.
WACM4	Neutral	Yes	Neutral	Yes	Yes	Reasons similar to WACM2.
WACM5	Neutral	Yes	Neutral	Yes	Yes	Reasons similar to WACM2.
WACM6	Neutral	Yes	Neutral	Yes	Yes	Reasons similar to WACM2.
WACM7	Neutral	Yes	Neutral	Yes	Yes	Reasons similar to WACM2.
WACM8	Neutral	No	Neutral	Yes	No	<p>The payment of £32.30 to all generators is not cost-reflective and perpetuates a distortion between embedded and transmission connected generation. Therefore WACM8 does not better meet Applicable Objective (b).</p> <p>By avoiding the separate definition of New Embedded Generators, the implementation of WACM1 should be more efficient than the Original Proposal (Objective (d)).</p>
WACM9	Neutral	No	Neutral	Yes	No	Reasons as for WACM8.

WACM10	Neutral	No	Neutral	Yes	No	Reasons as for WACM8.
WACM11	Neutral	No	Neutral	No	No	<p>WACM11 perpetuates a different, but still non cost-reflective payment, to embedded generators and therefore does not better facilitate Applicable Objective (b) than the Original Proposal.</p> <p>The implementation of the proposed solution appears more complex and less efficient than the Original Proposal and therefore does not better facilitate Objective (d).</p>
WACM12	Neutral	No	Neutral	Neutral	No	Grandfathering a Triad avoidance payment of £45.33 until 2033 for 2014/15 CM & CfD contract holders embeds a non cost-reflective distortion to competition in the generation market. Therefore WACM 12 does not better facilitate Applicable Objective (b) than the Original Proposal
WACM13	Neutral	No	Neutral	Neutral	No	Reasons as for WACM12.
WACM14	Neutral	No	Neutral	Neutral	No	Reasons as for WACM12.
WACM15	Neutral	No	Neutral	Neutral	No	Reasons as for WACM12.

WACM16	Neutral	No	Neutral	Neutral	No	Reasons as for WACM12.
WACM17	Neutral	No	Neutral	Neutral	No	Reasons as for WACM12.
WACM18	Neutral	No	Neutral	Neutral	No	Reasons as for WACM12.
WACM19	Neutral	Yes	Neutral	Neutral	Yes	<p>WACM19 best meets the defect identified in CMP264 in that it ensures that future Capacity Mechanism auctions will be based on a level playing field and that embedded generation participants will not take account of non cost-reflective Triad avoidance payments in making their bids.</p> <p>Capping the Triad avoidance payment at the 2016/17 level ensures that the detriment to consumers does not increase while an enduring solution to identifying a cost-reflective payment for embedded generation is developed.</p>
WACM20	Neutral	No	Neutral	Neutral	No	<p>Defining New Embedded Generators as those commissioning after 31/10/18 may lead to greater distortions in future Capacity Mechanism auctions and payment of a non cost-reflective £45.33/kW until 2033 perpetuates a distortion to competition in the generation market.</p>

WACM21	Neutral	No	Neutral	Neutral	No	Reasons as for WACM20.
WACM22	Neutral	Yes	Neutral	No	Neutral	WACM22 is broadly similar to WACM19. Adding 2014/15 CM & CfD contract holders will increase the complexity of implementation and therefore it facilitates Objective (d) less well than the Original Proposal.
WACM23	Neutral	No	Neutral	Neutral	No	'Grandfathering' a non cost-reflective Triad avoidance payment of £34.11 (plus RPI) for 10 years for existing embedded generators and a payment of £20.12 for new Embedded Generators embeds distortion in the generation market between embedded generators and other market participants which the Original CMP264 Proposal sought to see rectified in a much shorter period. Therefore WACM23 does not better facilitate Applicable Objective (a), competition than the Original Proposal.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member {Insert name}</p>	<p>WACM19</p>	<p>WACM19 best meets the defect identified in CMP264 in that it ensures that future Capacity Mechanism auctions will be based on a level playing field and that embedded generation participants will not take account of non cost-reflective Triad avoidance payments in making their bids.</p> <p>Capping the Triad avoidance payment at the 2016/17 level ensures that the detriment to consumers does not increase while an enduring solution to identifying a cost-reflective payment for embedded generation is developed.</p>

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Workgroup member: James Anderson						
Original	Neutral	Yes	Neutral	Neutral	Yes	Overall, CMP265 will better meet the Applicable CUSC Objectives than the current baseline.  CMP265 will remove a distortion in competition between investing in embedded and transmission connected generation, in particular in connection with the Capacity Market, by removing a non-cost reflective payment from embedded generation. This better facilitates Applicable CUSC Objective (b).
WACM1	Neutral	Yes	Neutral	Neutral	Yes	Reasons as for CMP265 Original Proposal.

WACM2	Neutral	Yes	Neutral	Neutral	Yes	Reasons as for WACM1. In addition, phased introduction of tariffs would provide embedded generators and market arrangements time to adapt to implementation.
WACM3	Neutral	Yes	Neutral	Neutral	Yes	Reasons as for CMP265 Original Proposal. In addition, introduction of a payment equivalent to avoided transmission investment (£1.62/kW) improves cost-reflectivity.
WACM4	Neutral	Yes	Neutral	Neutral	Yes	Reasons as for WACM3 plus phased introduction of tariffs would provide embedded generators and market arrangements time to adapt to implementation.
WACM5	Neutral	Yes	Neutral	Neutral	Yes	Reasons as for WACM4.
WACM6	Neutral	Yes	Neutral	Neutral	Yes	Reasons as for the Original Proposal. Payment of the lowest locational value simply changes the method of flooring the demand locational element at zero.
WACM7	Neutral	Yes	Neutral	Neutral	Yes	Reasons as for the Original Proposal. Payment of the lowest locational value simply changes the method of flooring the demand locational

						<p>element at zero.</p> <p>Phased introduction of enduring tariffs would provide embedded generators and market arrangements time to adapt to implementation.</p>
WACM8	Neutral	No	Neutral	Neutral	No	<p>Grandfathering a non cost-reflective payment of £32.30/kW to all embedded generators will perpetuate a distortion in the generation market and therefore does not better facilitate Applicable Objectives (b), competition.</p>
WACM9	Neutral	No	Neutral	Neutral	No	<p>Grandfathering a non cost-reflective payment of £34.11 then £20.12/kW to all embedded generators will perpetuate a distortion in the generation market and therefore does not better facilitate Applicable Objectives (b), competition.</p>
WACM10	Neutral	No	Neutral	Neutral	No	<p>Grandfathering a non cost-reflective payment of £45.00/kW to all embedded generators will perpetuate a distortion in the generation market and therefore does not better facilitate Applicable Objectives (b), competition.</p>
WACM11	Neutral	No	Neutral	Neutral	No	<p>Although the demand residual and therefore the Triad avoidance value payable to all embedded generation would be reduced thus marginally</p>

						improving competition, the resultant value would remain non cost-reflective as no justification has been offered as to why the demand residual value should be paid to embedded generation. This value can continue to influence the bidding behaviour of embedded generation in the Capacity Mechanism thus distorting investment decisions and competition. Therefore WACM 11 does not better facilitate Applicable Objective (b).
WACM12	Neutral	No	Neutral	Neutral	No	WACM 12 is based upon WACM1. However, 'grandfathering' a Triad avoidance payment of £45.33 (plus )RPI until 2033 for 2014/15 CM & CFD contract holders embeds a distortion in the generation market between this one group of generators and all other market. Therefore WACM12 does not better facilitate competition (Applicable Objective (b)).
WACM13	Neutral	No	Neutral	Neutral	No	WACM 13 is based upon WACM3. However, for the reasons outlined against WACM12, the grandfathered payment to 2014/15 CM & CfD contract holders means that WACM 13 does not better meet Applicable Objective (b).

WACM14	Neutral	No	Neutral	Neutral	No	WACM 14 is based upon WACM5. However, for the reasons outlined against WACM12, the grandfathered payment to 2014/15 CM & CfD contract holders means that WACM 14 does not better meet Applicable Objectives (a) and (b).
WACM15	Neutral	No	Neutral	Neutral	No	WACM 15 is based upon WACM6. However, for the reasons outlined against WACM12, the grandfathered payment to 2014/15 CM & CfD contract holders means that WACM 15 does not better meet Applicable Objective (b).
WACM16	Neutral	No	Neutral	Neutral	No	WACM 16 is based upon WACM9. However, for the reasons outlined against WACM12, the grandfathered payment to 2014/15 CM & CfD contract holders means that WACM 16 does not better meet Applicable Objective (b).
WACM17	Neutral	No	Neutral	Neutral	No	WACM 17 is based upon WACM8. However, for the reasons outlined against WACM12, the grandfathered payment to 2014/15 CM & CfD contract holders means that WACM 17 does not better meet Applicable Objective (b).

WACM18	Neutral	No	Neutral	Neutral	No	WACM 17 is based upon WACM8. However, for the reasons outlined against WACM12, the grandfathered payment to 2014/15 CM & CfD contract holders means that WACM 18 does not better meet Applicable Objective (b).

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member: James Anderson					
Original	n/a	n/a	n/a	n/a	n/a	
WACM1	Neutral	Yes	Neutral	Yes	Yes	<p>WACM1 applies to all embedded generation and thus avoids any form of discrimination. It therefore better facilitates competition (Applicable Objective (b) than the Original Proposal.</p> <p>As WACM1 applies to all embedded generators, implementation should be less complex and more efficient than the Original Proposal thereby better facilitating Objective (d).</p>
WACM2	Neutral	Yes	Neutral	Yes	Yes	Same reasons as WACM1. 3 year phasing may enable embedded generators and market

						arrangements to adapt during the implementation period.
WACM3	Neutral	Yes	Neutral	Yes	Yes	<p>WACM3 applies to all embedded generation and thus avoids any form of discrimination. It therefore better facilitates competition (Applicable Objective (b) than the Original Proposal.</p> <p>As WACM3 applies to all embedded generators, implementation should be less complex and more efficient than the Original Proposal thereby better facilitating Objective (d).</p>
WACM4	Neutral	Yes	Neutral	Yes	Yes	Same reasons as WACM3. 3 year phasing may enable embedded generators and market arrangements to adapt during the implementation period.
WACM5	Neutral	Yes	Neutral	Yes	Yes	Same reasons as WACM4.
WACM6	Neutral	Yes	Neutral	Yes	Yes	WACM6 applies to all embedded generation and thus avoids any form of discrimination. It therefore better facilitates competition (Applicable Objective (a) than the Original Proposal.

						As WACM6 applies to all embedded generators, implementation should be less complex and more efficient than the Original Proposal thereby better facilitating Objective (d).
WACM7	Neutral	Yes	Neutral	Yes	Yes	Same reasons as WACM6. 3 year phasing may enable embedded generators and market arrangements to adapt during the implementation period.
WACM8	Neutral	No	Neutral	Neutral	No	Grandfathering a non cost-reflective payment of £32.30/kW to all embedded generators will perpetuate a distortion in the generation market and therefore does not better facilitate Applicable Objectives (b), competition than the Original Proposal..
WACM9	Neutral	No	Neutral	Neutral	No	Grandfathering a non cost-reflective payment of £34.11 then £20.12/kW to all embedded generators will perpetuate a distortion in the generation market and therefore does not better facilitate Applicable Objectives (b), competition, than the Original Proposal
WACM10	Neutral	No	Neutral	Neutral	No	Grandfathering a non cost-reflective payment of £45.00/kW to all embedded generators will perpetuate a distortion in the generation market

						and therefore does not better facilitate Applicable Objectives (b), competition than the Original Proposal.
WACM11	Neutral	No	Neutral	No	No	<p>Although the demand residual and therefore the Triad avoidance value payable to all embedded generation would be reduced thus marginally improving competition, the resultant value would remain non cost-reflective as no justification has been offered as to why the demand residual value should be paid to embedded generation. This value can continue to influence the bidding behaviour of embedded generation in the Capacity Mechanism thus distorting investment decisions and competition. Therefore WACM 11 does not better facilitate Applicable Objective (b) than the Original Proposal</p> <p>WACM11 may also be more complex to implement than the Original Proposal.</p>
WACM12	Neutral	No	Neutral	Neutral	No	<p>WACM 12 is based upon WACM1.</p> <p>'Grandfathering' a Triad avoidance payment of £45.33 (plus )RPI until 2033 for 2014/15 CM &amp; CFD contract holders embeds a distortion in the generation market between this one group of generators and all other market. Therefore</p>

						WACM12 does not better facilitate competition (Applicable Objective (b)) than the Original Proposal.
WACM13	Neutral	No	Neutral	Neutral	No	WACM 13 is based upon WACM3. Same reasons as WACM12.
WACM14	Neutral	No	Neutral	Neutral	No	WACM 14 is based upon WACM5. Same reasons as WACM12.
WACM15	Neutral	No	Neutral	Neutral	No	WACM 15 is based upon WACM6. Same reasons as WACM12.
WACM16	Neutral	No	Neutral	Neutral	No	WACM 16 is based upon WACM9. Same reasons as WACM12.
WACM17	Neutral	No	Neutral	Neutral	No	WACM 17 is based upon WACM8. Same reasons as WACM12.
WACM18	Neutral	No	Neutral	Neutral	No	WACM 18 is based upon WACM11. Same reasons as WACM12.

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member: James Anderson</p>	<p>WACM4</p>	<p>WACM4 applies to All embedded generators thus avoiding any discrimination between different classes. It removes a non cost-reflective payment from embedded generation thus improving competition between embedded and transmission connected generation thus better facilitation Applicable Charging Objective (b).</p>

<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {John Tindal}						
Original	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement for short duration
WACM1 Centrica B	Yes	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition
WACM2 NG C	Yes	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for

							competition 3 year phasing helps implementation
WACM3 Uniper A	Yes	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective GSP avoidance likely to be more cost reflective
WACM4 SSE A	Yes	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective 3 year phasing helps implementation
WACM5 SSE B	Yes	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition GSP avoidance likely to be more cost reflective 3 year phasing helps implementation
WACM6 NG A (lowest locational)	No	Yes	No	Neutral	Neutral	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect
WACM7 NG D (lowest locational with phasing)	No	Yes	No	Neutral	Neutral	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline

							Benefit still large enough that it not correct the defect
WACM8 ADE E (X = £32.30)	No	Yes	No	Neutral	Neutral	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM9 Infinis A (all X= £34.11 to 2019, then reduce to £20.12 +RPI)	No	Yes	No	Neutral	Neutral	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM10 Greenfrog A (X=£45)	No	Yes	No	Neutral	Neutral	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM11 Eider A (take out OFTO costs)	No	Yes	No	Neutral	Neutral	No	Arbitrary benefit (Why not other policy driven investment e.g. RO? Other costs beyond Locational tariffs are not avoided either) Does not solve the defect – EB still too high
WACM12 UKPR F1 (All excluding 14&15 CM/CFD) - Gen Residual	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM13 UKPR G1 (All excluding	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS

14&15 CM/CFD) - Avoided GSP							charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM14 UKPR H1 (All excluding 14&15 CM/CFD) - Avoided Gen Residual and GSP	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM15 UKPR I1 (All excluding 14&15 CM/CFD) - Lowest locational	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM16 UKPR J1 (All excluding 14&15 CM/CFD) £20.12+RPI	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM17	No	No	No	No	No	No	Grandfathering - not an option in principle -

UKPR K1 (All excluding 14&15 CM/CFD) - £32.3							not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM18 UKPR L1 (All excluding 14&15 CM/CFD) - Minus OFTO cost	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM19 SP B (Older stations capped at £45.33 +RPI)	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively Lower cost to customers than Original is not enough to make it a viable option
WACM20 Alkane A (Existing get £45.33+RPI, New get	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time

£27.70 for 5 years)							Not consistent with EU law to discriminate Too complicated to implement effectively Does not solve the defect – Affected EB still too high
WACM21 Alkane B (Existing get £45.33+RPI, New get lowest locational)	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively
WACM22 ADE C (Affected new after 30/06/19 and CM/CD after 14/15. Affected £0)	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively
WACM23 Infinis B (Affected: new and 14&15 CM/CfD X= £34.11 to 2019, then reduce to £20.12 +RPI.	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively Does not solve the defect – Affected EB still too high

Grandfathered gets 10yrs at higher level, then goes to lower level)							
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**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member John Tindal						
Original							

WACM1 Centrica B	Yes	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition
WACM2 NG C	Yes	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition 3 year phasing helps implementation
WACM3 Uniper A	Yes	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective GSP avoidance likely to be more cost reflective
WACM4 SSE A	Yes	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective 3 year phasing helps implementation
WACM5 SSE B	Yes	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition GSP avoidance likely to be more cost reflective 3 year phasing helps implementation
WACM6 NG A (lowest locational)	No	Yes	No	Neutral	Yes	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline

							Benefit still large enough that it not correct the defect
WACM7 NG D (lowest locational with phasing)	No	Yes	No	Neutral	Yes	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect
WACM8 ADE E (X = £32.30)	No	Yes	No	Neutral	Yes	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM9 Infinis A (all X= £34.11 to 2019, then reduce to £20.12 +RPI)	No	Yes	No	Neutral	Yes	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM10 Greenfrog A (X=£45)	No	Yes	No	Neutral	Yes	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM11 Eider A (take out OFTO costs)	No	Yes	No	Neutral	Yes	No	Arbitrary benefit (Why not other policy driven investment e.g. RO? Other costs beyond Locational tariffs are not avoided either) Does not solve the defect – EB still too high
WACM12 UKPR F1 (All	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives

excluding 14&15 CM/CFD) - Gen Residual							Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM13 UKPR G1 (All excluding 14&15 CM/CFD) - Avoided GSP	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM14 UKPR H1 (All excluding 14&15 CM/CFD) - Avoided Gen Residual and GSP	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM15 UKPR I1 (All excluding 14&15 CM/CFD) - Lowest locational	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM16 UKPR J1 (All	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives

excluding 14&15 CM/CFD) £20.12+RPI							Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM17 UKPR K1 (All excluding 14&15 CM/CFD) - £32.3	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM18 UKPR L1 (All excluding 14&15 CM/CFD) - Minus OFTO cost	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM19 SP B (Older stations capped at £45.33 +RPI)	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively

							Lower cost to customers than Original is not enough to make it a viable option
WACM20 Alkane A (Existing get £45.33+RPI, New get £27.70 for 5 years)	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively Does not solve the defect – Affected EB still too high
WACM21 Alkane B (Existing get £45.33+RPI, New get lowest locational)	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively
WACM22 ADE C (Affected new after 30/06/19 and CM/CD after 14/15. Affected £0)	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively
WACM23 Infinis B	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives

(Affected: new and 14&15 CM/CfD X= £34.11 to 2019, then reduce to £20.12 +RPI. Grandfathered gets 10yrs at higher level, then goes to lower level)							Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively Does not solve the defect – Affected EB still too high
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### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member {John Tindal}	WACM5 SSE B	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition GSP avoidance likely to be more cost reflective

		3 year phasing helps implementation
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Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	Workgroup member John Tindal						
Original	No	No	No	No	No	No	Discrimination without cost reflective justification Triad remains non cost reflective Would not correct the defect because EG would still earn large Triad benefit and continue to distort CM Reduces competition in CM
WACM1 Centrica B	Yes	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition
WACM2 NG C	Yes	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition

							3 year phasing helps implementation
WACM3 Uniper A	Yes	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective GSP avoidance likely to be more cost reflective
WACM4 SSE A	Yes	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective 3 year phasing helps implementation
WACM5 SSE B	Yes	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition GSP avoidance likely to be more cost reflective 3 year phasing helps implementation
WACM6 NG A (lowest locational)	No	Yes	No	Neutral	Neutral	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect
WACM7 NG D (lowest locational with phasing)	No	Yes	No	Neutral	Neutral	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline

							Benefit still large enough that it not correct the defect
WACM8 ADE E (X = £32.30)	No	Yes	No	Neutral	Neutral	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM9 Infinis A (all X= £34.11 to 2019, then reduce to £20.12 +RPI)	No	Yes	No	Neutral	Neutral	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM10 Greenfrog A (X=£45)	No	Yes	No	Neutral	Neutral	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM11 Eider A (take out OFTO costs)	No	Yes	No	Neutral	Neutral	No	Arbitrary benefit (Why not other policy driven investment e.g. RO? Other costs beyond Locational tariffs are not avoided either) Does not solve the defect – EB still too high
WACM12 UKPR F1 (All excluding 14&15 CM/CFD) - Gen Residual	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM13 UKPR G1 (All excluding	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS

14&15 CM/CFD) - Avoided GSP							charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM14 UKPR H1 (All excluding 14&15 CM/CFD) - Avoided Gen Residual and GSP	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM15 UKPR I1 (All excluding 14&15 CM/CFD) - Lowest locational	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM16 UKPR J1 (All excluding 14&15 CM/CFD) £20.12+RPI	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM17	No	No	No	No	No	No	Grandfathering - not an option in principle -

UKPR K1 (All excluding 14&15 CM/CFD) - £32.3							<p>not consistent with CUSC objectives  Participants know the CUSC and TNUoS charges can and do change any/ all of the time  Not consistent with EU law to discriminate  Does not solve the defect – Affected EB still too high</p>
WACM18 UKPR L1 (All excluding 14&15 CM/CFD) - Minus OFTO cost	No	No	No	No	No	No	<p>Grandfathering - not an option in principle - not consistent with CUSC objectives  Participants know the CUSC and TNUoS charges can and do change any/ all of the time  Not consistent with EU law to discriminate  Does not solve the defect – Affected EB still too high</p>

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member John Tindal						
Original							
WACM1 Centrica B	Yes	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition
WACM2 NG C	Yes	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective

							Generator residual element better for competition 3 year phasing helps implementation
WACM3 Uniper A	Yes	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective GSP avoidance likely to be more cost reflective
WACM4 SSE A	Yes	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective 3 year phasing helps implementation
WACM5 SSE B	Yes	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition GSP avoidance likely to be more cost reflective 3 year phasing helps implementation
WACM6 NG A (lowest locational)	No	Yes	No	Neutral	Yes	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect

WACM7 NG D (lowest locational with phasing)	No	Yes	No	Neutral	Yes	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect
WACM8 ADE E (X = £32.30)	No	Yes	No	Neutral	Yes	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM9 Infinis A (all X= £34.11 to 2019, then reduce to £20.12 +RPI)	No	Yes	No	Neutral	Yes	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM10 Greenfrog A (X=£45)	No	Yes	No	Neutral	Yes	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM11 Eider A (take out OFTO costs)	No	Yes	No	Neutral	Yes	No	Arbitrary benefit (Why not other policy driven investment e.g. RO? Other costs beyond Locational tariffs are not avoided either) Does not solve the defect – EB still too high
WACM12 UKPR F1 (All	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC

excluding 14&15 CM/CFD) - Gen Residual							objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM13 UKPR G1 (All excluding 14&15 CM/CFD) - Avoided GSP	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM14 UKPR H1 (All excluding 14&15 CM/CFD) - Avoided Gen Residual and GSP	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM15 UKPR I1 (All excluding 14&15 CM/CFD) - Lowest locational	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to

							discriminate Does not solve the defect – Affected EB still too high
WACM16 UKPR J1 (All excluding 14&15 CM/CFD) £20.12+RPI	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM17 UKPR K1 (All excluding 14&15 CM/CFD) - £32.3	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM18 UKPR L1 (All excluding 14&15 CM/CFD) - Minus OFTO	No	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time

cost							Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
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**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
<p><b>Workgroup member John Tindal</b></p>	<p>WACM5 SSE B</p>	<p>Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition GSP avoidance likely to be more cost reflective 3 year phasing helps implementation</p>

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Workgroup member John Tindal						
Original	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement for short duration
WACM1 Centrica B	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition
WACM2 NG C	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition 3 year phasing helps implementation

WACM3 Uniper A	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective GSP avoidance likely to be more cost reflective
WACM4 SSE A	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective 3 year phasing helps implementation
WACM5 SSE B	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition GSP avoidance likely to be more cost reflective 3 year phasing helps implementation
WACM6 NG A (lowest locational)	No	No	Neutral	Neutral	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect
WACM7 NG D (lowest locational with phasing)	No	No	Neutral	Neutral	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect
WACM8 ADE E (X =	No	No	Neutral	Neutral	No	Arbitrary benefit Does not solve the defect – EB still too high

£32.30)						
WACM9 Infinis A (all X= £34.11 to 2019, then reduce to £20.12 +RPI)	No	No	Neutral	Neutral	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM10 Greenfrog A (X=£45)	No	No	Neutral	Neutral	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM11 Eider A (take out OFTO costs)	No	No	Neutral	Neutral	No	Arbitrary benefit (Why not other policy driven investment e.g. RO? Other costs beyond Locational tariffs are not avoided either) Does not solve the defect – EB still too high
WACM12 UKPR F1 (All excluding 14&15 CM/CFD) - Gen Residual	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM13 UKPR G1 (All excluding 14&15 CM/CFD) - Avoided GSP	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate

WACM14 UKPR H1 (All excluding 14&15 CM/CFD) - Avoided Gen Residual and GSP	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM15 UKPR I1 (All excluding 14&15 CM/CFD) - Lowest locational	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM16 UKPR J1 (All excluding 14&15 CM/CFD) £20.12+RPI	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM17 UKPR K1 (All excluding 14&15 CM/CFD) - £32.3	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high

WACM18 UKPR L1 (All excluding 14&15 CM/CFD) - Minus OFTO cost	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM19 SP B (Older stations capped at £45.33 +RPI)	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively Lower cost to customers than Original is not enough to make it a viable option
WACM20 Alkane A (Existing get £45.33+RPI, New get £27.70 for 5 years)	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively Does not solve the defect – Affected EB still too high
WACM21 Alkane B (Existing get £45.33+RPI, New get	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate

lowest locational)						Too complicated to implement effectively
WACM22 ADE C (Affected new after 30/06/19 and CM/CD after 14/15. Affected £0)	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively
WACM23 Infinis B (Affected: new and 14&15 CM/CfD X= £34.11 to 2019, then reduce to £20.12 +RPI. Grandfathered gets 10yrs at higher level, then goes to lower level)	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively Does not solve the defect – Affected EB still too high

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member John Tindal					
Original						
WACM1 Centrica B	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition
WACM2 NG C	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition 3 year phasing helps implementation
WACM3 Uniper A	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective GSP avoidance likely to be more cost reflective

WACM4 SSE A	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective 3 year phasing helps implementation
WACM5 SSE B	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition GSP avoidance likely to be more cost reflective 3 year phasing helps implementation
WACM6 NG A (lowest locational)	No	No	Neutral	Yes	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect
WACM7 NG D (lowest locational with phasing)	No	No	Neutral	Yes	No	Arbitrary benefit equal to lowest locational value value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect
WACM8 ADE E (X = £32.30)	No	No	Neutral	Yes	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM9 Infinis A (all	No	No	Neutral	Yes	No	Arbitrary benefit Does not solve the defect – EB still too high

X= £34.11 to 2019, then reduce to £20.12 +RPI)						
WACM10 Greenfrog A (X=£45)	No	No	Neutral	Yes	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM11 Eider A (take out OFTO costs)	No	No	Neutral	Yes	No	Arbitrary benefit (Why not other policy driven investment e.g. RO? Other costs beyond Locational tariffs are not avoided either) Does not solve the defect – EB still too high
WACM12 UKPR F1 (All excluding 14&15 CM/CFD) - Gen Residual	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM13 UKPR G1 (All excluding 14&15 CM/CFD) - Avoided GSP	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM14 UKPR H1 (All excluding 14&15 CM/CFD) -	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate

Avoided Gen Residual and GSP						
WACM15 UKPR I1 (All excluding 14&15 CM/CFD) - Lowest locational	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM16 UKPR J1 (All excluding 14&15 CM/CFD) £20.12+RPI	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM17 UKPR K1 (All excluding 14&15 CM/CFD) - £32.3	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM18 UKPR L1 (All excluding 14&15	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time

CM/CFD) - Minus OFTO cost						Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM19 SP B (Older stations capped at £45.33 +RPI)	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively Lower cost to customers than Original is not enough to make it a viable option
WACM20 Alkane A (Existing get £45.33+RPI, New get £27.70 for 5 years)	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively Does not solve the defect – Affected EB still too high
WACM21 Alkane B (Existing get £45.33+RPI, New get lowest locational)	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively
WACM22	No	No	No	No	No	Grandfathering - not an option in principle - not

<p>ADE C (Affected new after 30/06/19 and CM/CD after 14/15. Affected £0)</p>						<p>consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively</p>
<p>WACM23 Infinis B (Affected: new and 14&amp;15 CM/CfD X= £34.11 to 2019, then reduce to £20.12 +RPI. Grandfathered gets 10yrs at higher level, then goes to lower level)</p>	<p>No</p>	<p>No</p>	<p>No</p>	<p>No</p>	<p>No</p>	<p>Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Too complicated to implement effectively Does not solve the defect – Affected EB still too high</p>

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
<p><b>Workgroup member John Tindal</b></p>	<p>WACM5 SSE B</p>	<p>Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition GSP avoidance likely to be more cost reflective 3 year phasing helps implementation</p>

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP270:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Workgroup member John Tindal						
Original	No	No	No	No	No	Discrimination without cost reflective justification Triad remains non cost reflective Would not correct the defect because EG would still earn large Triad benefit and continue to distort CM Reduces competition in CM
WACM1 Centrica B	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition
WACM2 NG C	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition 3 year phasing helps implementation

WACM3 Uniper A	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective GSP avoidance likely to be more cost reflective
WACM4 SSE A	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective 3 year phasing helps implementation
WACM5 SSE B	Yes	Yes	Neutral	Neutral	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition GSP avoidance likely to be more cost reflective 3 year phasing helps implementation
WACM6 NG A (lowest locational)	No	No	Neutral	Neutral	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect
WACM7 NG D (lowest locational with phasing)	No	No	Neutral	Neutral	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect
WACM8 ADE E (X =	No	No	Neutral	Neutral	No	Arbitrary benefit Does not solve the defect – EB still too high

£32.30)						
WACM9 Infinis A (all X= £34.11 to 2019, then reduce to £20.12 +RPI)	No	No	Neutral	Neutral	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM10 Greenfrog A (X=£45)	No	No	Neutral	Neutral	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM11 Eider A (take out OFTO costs)	No	No	Neutral	Neutral	No	Arbitrary benefit (Why not other policy driven investment e.g. RO? Other costs beyond Locational tariffs are not avoided either) Does not solve the defect – EB still too high
WACM12 UKPR F1 (All excluding 14&15 CM/CFD) - Gen Residual	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM13 UKPR G1 (All excluding 14&15 CM/CFD) - Avoided GSP	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate

WACM14 UKPR H1 (All excluding 14&15 CM/CFD) - Avoided Gen Residual and GSP	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM15 UKPR I1 (All excluding 14&15 CM/CFD) - Lowest locational	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM16 UKPR J1 (All excluding 14&15 CM/CFD) £20.12+RPI	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM17 UKPR K1 (All excluding 14&15 CM/CFD) - £32.3	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high

WACM18 UKPR L1 (All excluding 14&15 CM/CFD) - Minus OFTO cost	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
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## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member John Tindal					
Original						
WACM1 Centrica B	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for

						competition
WACM2 NG C	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition 3 year phasing helps implementation
WACM3 Uniper A	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective GSP avoidance likely to be more cost reflective
WACM4 SSE A	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective 3 year phasing helps implementation
WACM5 SSE B	Yes	Yes	Yes	Yes	Yes	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition GSP avoidance likely to be more cost reflective 3 year phasing helps implementation
WACM6 NG A (lowest locational)	No	No	Neutral	Yes	No	Arbitrary benefit equal to lowest locational value – not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect
WACM7	No	No	Neutral	Yes	No	Arbitrary benefit equal to lowest locational value

NG D (lowest locational with phasing)						– not cost reflective to apply Year Round locational tariff to Triad generation. EB could end up being worth more than the baseline Benefit still large enough that it not correct the defect
WACM8 ADE E (X = £32.30)	No	No	Neutral	Yes	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM9 Infinis A (all X= £34.11 to 2019, then reduce to £20.12 +RPI)	No	No	Neutral	Yes	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM10 Greenfrog A (X=£45)	No	No	Neutral	Yes	No	Arbitrary benefit Does not solve the defect – EB still too high
WACM11 Eider A (take out OFTO costs)	No	No	Neutral	Yes	No	Arbitrary benefit (Why not other policy driven investment e.g. RO? Other costs beyond Locational tariffs are not avoided either) Does not solve the defect – EB still too high
WACM12 UKPR F1 (All excluding 14&15 CM/CFD) - Gen Residual	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate

WACM13 UKPR G1 (All excluding 14&15 CM/CFD) - Avoided GSP	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM14 UKPR H1 (All excluding 14&15 CM/CFD) - Avoided Gen Residual and GSP	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate
WACM15 UKPR I1 (All excluding 14&15 CM/CFD) - Lowest locational	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM16 UKPR J1 (All excluding 14&15 CM/CFD) £20.12+RPI	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high

WACM17 UKPR K1 (All excluding 14&15 CM/CFD) - £32.3	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high
WACM18 UKPR L1 (All excluding 14&15 CM/CFD) - Minus OFTO cost	No	No	No	No	No	Grandfathering - not an option in principle - not consistent with CUSC objectives Participants know the CUSC and TNUoS charges can and do change any/ all of the time Not consistent with EU law to discriminate Does not solve the defect – Affected EB still too high

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member John Tindal	WACM5 SSE B	Treats all the same Gross demand Residual is more cost reflective Generator residual element better for competition

		GSP avoidance likely to be more cost reflective 3 year phasing helps implementation
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Kirstin Gardner						
Original	N	N	N	N	N	N	<p>Firstly, we assert that we are not supportive of the CMP264 proposal as the scope of the defect is too narrow and overemphasises the link between Triad avoidance payments available to distribution connected generators and the lack of investment in alternative forms of new generation. The issues surrounding current investment in the UK generation mix are far greater than those described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal.</p> <p>Secondly, the proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators</p>

							affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM1	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM2	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides

							some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM3	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM4	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable

							modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM5	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM6	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more

							<p>complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM7	N	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM8	N	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM9	N	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than</p>

							the defect that the modification seeks to address.
WACM10	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM11	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be

							reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM12	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM13	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution

							creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM14	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM15	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described

							by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM16	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.

WACM17	N	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM18	N	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than</p>

							the defect that the modification seeks to address.
WACM19	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM20	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be

							reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM21	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM22	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution

							creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM23	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	<b>Workgroup member Kirstin Gardner</b>						
Original	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WACM1	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be

							reflected in the payments to generators affected by the modification.
WACM2	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM3	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.

WACM4	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM5	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM6	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by

							CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM7	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM8	Y	Y	N	Y	N	Y	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. However, all parties

							appear to accept that embedded generation provides some grid cost reduction and the value to be paid to embedded generators proposed by WACM 8 (£32.30) is based on sound analysis by an independent group, whose assessment confirms that this would be a cost reflective payment. As such, we believe that WACM 8 better achieves the CUSC objectives than the original proposal.
WACM9	Y	Y	N	Y	N	Y	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. All parties appear to accept that embedded generation provides some grid cost reduction. The proposal put forward in WACM 9 provides a sensible initial value to be paid to embedded generators (with reasonable rationale and coming close to the value supported by the independent analysis behind WACM 8 proposal). The proposed embedded benefit payment then steps down for a holding period of 5 years to a level that has been demonstrated to be reflective of transmission network investment savings

							through independent analysis. Furthermore, the proposer's intention is that this 5 year period during which the level should remain unchanged would allow time for Ofgem to address surrounding charging arrangement through an SCR. As such, we believe that WACM 9 better achieves the CUSC objectives than the original proposal.
WACM10	Y	Y	N	Y	N	Y	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. WACM 10 freezes embedded benefit payment at current levels (for all parties) to prevent the spiralling cost of embedded benefit payments. This provides a swift solution to the immediate issue of spiralling costs, whilst allowing time for appropriate level of assessment and analysis in order to introduce a robust, long-lasting and reliable solution to the current charging arrangement issues. As such, we believe that WACM 10 better achieves the CUSC objectives than the original proposal.

WACM11	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM12	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM13	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by

								CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM14	N	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM15	N	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution

							creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM16	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM17	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be

							reflected in the payments to generators affected by the modification.
WACM18	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM19	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.

WACM20	Y	Y	N	Y	N	Y	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. All parties appear to accept that embedded generation provides some grid cost reduction. The value of embedded benefit proposed by WACM 20 is reasonable as it is based on the level that demand residual was at when this issue was last considered by National Grid in 2013/4 at which time the value was deemed acceptable as no immediate action was taken. In addition, WACM 20 includes a more gradual transition period for existing plant or plant that is already under development. Such projects have already made significant commitments and investment decisions such as securing newbuild CM contracts in the 2014 and 2015 auctions and any drastic change in embedded payment benefit may see these plant unable to meet their CM obligations and therefore endanger security of supply or result in much higher costs to the end consumer. As such, we believe that WACM 20 better achieves the CUSC objectives than the original proposal.</p>
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WACM21	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM22	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM23	Y	Y	N	Y	N	Y	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by

						<p>CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. All parties appear to accept that embedded generation provides some grid cost reduction. The proposal put forward in WACM 23 provides a sensible initial value to be paid to embedded generators. The value suggested is close to the level of embedded benefit payment when National Grid undertook their previous review of charging arrangements for embedded benefits, at which time it was concluded that change was not required. The proposed embedded benefit payment then steps down for a holding period of 5 years to a level that has been demonstrated to be reflective of transmission network investment savings through independent analysis. Furthermore, the proposer's intention is that this 5 year period during which the level should remain unchanged would allow time for Ofgem to address surrounding charging arrangement through an SCR. Finally, the proposed WACM includes a more gradual transition period for existing plant or plant that is already under development. Such projects have already made significant commitments and investment decisions such as securing newbuild CM</p>
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							contracts in the 2014 and 2015 auctions and any drastic change in embedded payment benefit may see these plant unable to meet their CM obligations and therefore endanger security of supply or result in much higher costs to the end consumer. As such, we believe that WACM 23 better achieves the CUSC objectives than the original proposal.
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**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
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<p><b>Workgroup member: Kirstin Gardner</b></p>	<p>WACM 8</p>	<p>The value of Triad payments has increased significantly in recent years and it seems unlikely that the forecast levels of the payment are matched by cost savings to the National Grid. We would agree that this is an issue that needs to be addressed. However, the CUSC modification, or any alternative modifications that may come forward do not address the real problem. Both modification 264 and modification 265 create further distortions and discriminate against embedded generation. Neither modification is an attempt to create a level playing field.</p> <p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. However, all parties appear to accept that embedded generation provides some grid cost reduction and the value to be paid to embedded generators proposed by WACM 8 (£32.30) is based on sound analysis by an independent group, whose assessment confirms that this would be a cost reflective payment. As such, we believe that WACM 8 best achieves the CUSC objectives.</p>
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Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Kirstin Gardner						
Original	N	N	N	N	N	N	We are not supportive of the CMP265 proposal as the scope of the defect is too narrow and unjustly targets distribution connected generators as a cause for distorted capacity market outcomes. The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than

							the defect that the modification seeks to address.
WACM1	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM2	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators

							affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM3	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM4	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides

							some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM5	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM6	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution

							creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM7	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM8	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem

							through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM9	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM10	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more

							<p>complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM11	N	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM12	N	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM13	N	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM14	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM15	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than

							the defect that the modification seeks to address.
WACM16	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM17	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators

							affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM18	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	<b>Workgroup member Kirstin Gardner</b>						
Original	N/A	N/A	N	N/A	N/A	N/A	N/A
WACM1	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more

							<p>complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM2	N	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators</p>

							affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM3	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM4	N	N	N	N	N	N	The issues surrounding charging arrangements

							and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM5	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be

							reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM6	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.

WACM7	N	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM8	Y	Y	N	Y	N	Y	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. However, all parties appear to accept that embedded generation provides some grid cost reduction and the value</p>

							to be paid to embedded generators proposed by WACM 8 (£32.30) is based on sound analysis by an independent group, whose assessment confirms that this would be a cost reflective payment. As such, we believe that WACM 8 better achieves the CUSC objectives than the original proposal.
WACM9	Y	Y	N	Y	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. However, all parties appear to accept that embedded generation provides some grid cost reduction and the proposal put forward in WACM 8 provides a sensible initial value to be paid to embedded generators. The value suggested is close to the level of embedded benefit payment when National Grid undertook their previous review of charging arrangements for embedded benefits, at which time it was concluded that change was not required. The proposed embedded benefit payment then steps down

							for a holding period of 5 years to a level that has been demonstrated to be reflective of transmission network investment savings through independent analysis. Furthermore, the proposer's intention is that this 5 year period during which the level should remain unchanged would allow time for Ofgem to address surrounding charging arrangement through an SCR. As such, we believe that WACM 9 better achieves the CUSC objectives than the original proposal.
WACM10	Y	Y	N	Y	N	Y	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. WACM 10 freezes embedded benefit payment at current levels (for all parties) to prevent the spiralling cost of embedded benefit payments. This provides a swift solution to the immediate issue of spiralling costs, whilst allowing time for appropriate level of assessment and analysis in order to introduce a robust, long-lasting and

							reliable solution to the current charging arrangement issues.
WACM11	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM12	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable

							modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM13	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to

							address.
WACM14	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM15	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem

							through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM16	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than

							the defect that the modification seeks to address.
WACM17	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM18	N	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by

							<p>CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
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### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member: Kirstin Gardner</p>	<p>WACM 8</p>	<p>The value of Triad payments has increased significantly in recent years and it seems unlikely that the forecast levels of the payment are matched by cost savings to the National Grid. We would agree that this is an issue that needs to be addressed. However, the CUSC modification, or any alternative modifications that may come forward do not address the real problem. Both modification 264 and modification 265 create further distortions and discriminate against embedded generation. Neither modification is an attempt to create a level playing field.</p>

		<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. However, all parties appear to accept that embedded generation provides some grid cost reduction and the value to be paid to embedded generators proposed by WACM 8 (£32.30) is based on sound analysis by an independent group, whose assessment confirms that this would be a cost reflective payment. As such, we believe that WACM 8 best achieves the CUSC objectives.</p>
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Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Workgroup member Kirstin Gardner						
Original	N	N	N	N	N	<p>Firstly, we assert that we are not supportive of the paired CMP264 proposal as the scope of the defect is too narrow and overemphasises the link between Triad avoidance payments available to distribution connected generators and the lack of investment in alternative forms of new generation. The issues surrounding current investment in the UK generation mix are far greater than those described by CMP264 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal.</p> <p>Secondly, the proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM1	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM2	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM3	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM4	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM5	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM6	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM7	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM8	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM9	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM10	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM11	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM12	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM13	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM14	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM15	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM16	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM17	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM18	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM19	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM20	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM21	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM22	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>

WACM23	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
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**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	<b>Workgroup member Kirstin Gardner</b>					
Original	N/A	N/A	N/A	N/A	N/A	N/A
WACM1	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM2	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which

						would not be reflected in the payments to generators affected by the modification.
WACM3	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM4	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM5	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex

						than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM6	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM7	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded

						generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM8	Y	Y	N	Y	Y	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. However, all parties appear to accept that embedded generation provides some grid cost reduction and the value to be paid to embedded generators proposed by WACM 8 (£32.30) is based on sound analysis by an independent group, whose assessment confirms that this would be a cost reflective payment. As such, we believe that WACM 8 better achieves the CUSC objectives than the original proposal.
WACM9	Y	Y	N	Y	Y	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. All parties appear to accept that embedded generation provides some grid cost reduction. The proposal put forward in WACM 9 provides a sensible

						<p>initial value to be paid to embedded generators (with reasonable rationale and coming close to the value supported by the independent analysis behind WACM 8 proposal). The proposed embedded benefit payment then steps down for a holding period of 5 years to a level that has been demonstrated to be reflective of transmission network investment savings through independent analysis. Furthermore, the proposer's intention is that this 5 year period during which the level should remain unchanged would allow time for Ofgem to address surrounding charging arrangement through an SCR. As such, we believe that WACM 9 better achieves the CUSC objectives than the original proposal.</p>
WACM10	Y	Y	N	Y	Y	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. WACM 10 freezes embedded benefit payment at current levels (for all parties) to prevent the spiralling cost of embedded benefit payments. This provides a swift solution to the immediate issue of spiralling costs, whilst allowing time for appropriate level of assessment and analysis in order to introduce a robust, long-lasting and reliable</p>

						<p>solution to the current charging arrangement issues. As such, we believe that WACM 10 better achieves the CUSC objectives than the original proposal.</p>
WACM11	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.</p>
WACM12	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.</p>

WACM13	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM14	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM15	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification

						proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM16	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM17	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators

						affected by the modification.
WACM18	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM19	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM20	Y	Y	N	Y	Y	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired

						<p>CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. All parties appear to accept that embedded generation provides some grid cost reduction. The value of embedded benefit proposed by WACM 20 is reasonable as it is based on the level that demand residual was at when this issue was last considered by National Grid in 2013/4 at which time the value was deemed acceptable as no immediate action was taken. In addition, WACM 20 includes a more gradual transition period for existing plant or plant that is already under development. Such projects have already made significant commitments and investment decisions such as securing newbuild CM contracts in the 2014 and 2015 auctions and any drastic change in embedded payment benefit may see these plant unable to meet their CM obligations and therefore endanger security of supply or result in much higher costs to the end consumer. As such, we believe that WACM 20 better achieves the CUSC objectives than the original proposal.</p>
WACM21	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification</p>

						proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM22	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification.
WACM23	Y	Y	N	Y	Y	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP264 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. All parties appear to accept that embedded generation provides some grid cost reduction. The proposal put forward in WACM 23 provides a sensible initial value to be paid to embedded generators. The value suggested is close to the level of embedded

						<p>benefit payment when National Grid undertook their previous review of charging arrangements for embedded benefits, at which time it was concluded that change was not required. The proposed embedded benefit payment then steps down for a holding period of 5 years to a level that has been demonstrated to be reflective of transmission network investment savings through independent analysis. Furthermore, the proposer's intention is that this 5 year period during which the level should remain unchanged would allow time for Ofgem to address surrounding charging arrangement through an SCR. Finally, the proposed WACM includes a more gradual transition period for existing plant or plant that is already under development. Such projects have already made significant commitments and investment decisions such as securing newbuild CM contracts in the 2014 and 2015 auctions and any drastic change in embedded payment benefit may see these plant unable to meet their CM obligations and therefore endanger security of supply or result in much higher costs to the end consumer. As such, we believe that WACM 23 better achieves the CUSC objectives than the original proposal.</p>
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### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member: Kirstin Gardner</p>	<p>WACM 8</p>	<p>The value of Triad payments has increased significantly in recent years and it seems unlikely that the forecast levels of the payment are matched by cost savings to the National Grid. We would agree that this is an issue that needs to be addressed. However, the CUSC modification, or any alternative modifications that may come forward do not address the real problem. Both modification 264 and modification 265 create further distortions and discriminate against embedded generation. Neither modification is an attempt to create a level playing field.</p> <p>The issues surrounding charging arrangements and transmission network costs are far more complex than set</p>

		<p>out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. However, all parties appear to accept that embedded generation provides some grid cost reduction and the value to be paid to embedded generators proposed by WACM 8 (£32.30) is based on sound analysis by an independent group, whose assessment confirms that this would be a cost reflective payment. As such, we believe that WACM 8 best achieves the CUSC objectives.</p>
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Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

**CMP270:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	<b>Workgroup member Kirstin Gardner</b>					
Original	N	N	N	N	N	We are not supportive of the paired CMP265 proposal as the scope of the defect is too narrow and unjustly targets distribution connected generators as a cause for distorted capacity market outcomes. The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by

						Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM1	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM2	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by

						Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM3	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM4	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by

						Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM5	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM6	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by

						Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM7	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM8	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by

						Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM9	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM10	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by

						Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM11	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM12	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by

						Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM13	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM14	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by

						Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM15	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM16	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by

						Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM17	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM18	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by

						<p>Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
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## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Workgroup member Kirstin Gardner						
Original	N/A	N/A	N	N/A	N/A	N/A
WACM1	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the

						defect that the modification seeks to address.
WACM2	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM3	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect,

						since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM4	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM5	N	N	N	N	N	The issues surrounding charging arrangements and

						<p>transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM6	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the</p>

						defect that the modification seeks to address.
WACM7	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM8	Y	Y	N	Y	Y	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. However, all parties appear to accept that

						<p>embedded generation provides some grid cost reduction and the value to be paid to embedded generators proposed by WACM 8 (£32.30) is based on sound analysis by an independent group, whose assessment confirms that this would be a cost reflective payment. As such, we believe that WACM 8 better achieves the CUSC objectives than the original proposal.</p>
WACM9	Y	Y	N	Y	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. However, all parties appear to accept that embedded generation provides some grid cost reduction and the proposal put forward in WACM 8 provides a sensible initial value to be paid to embedded generators. The value suggested is close to the level of embedded benefit payment when National Grid undertook their previous review of charging arrangements for embedded benefits, at which time it was concluded that change was not required. The proposed embedded benefit payment then steps down for a holding period of 5 years to a</p>

						level that has been demonstrated to be reflective of transmission network investment savings through independent analysis. Furthermore, the proposer's intention is that this 5 year period during which the level should remain unchanged would allow time for Ofgem to address surrounding charging arrangement through an SCR. As such, we believe that WACM 9 better achieves the CUSC objectives than the original proposal.
WACM10	Y	Y	N	Y	Y	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. WACM 10 freezes embedded benefit payment at current levels (for all parties) to prevent the spiralling cost of embedded benefit payments. This provides a swift solution to the immediate issue of spiralling costs, whilst allowing time for appropriate level of assessment and analysis in order to introduce a robust, long-lasting and reliable solution to the current charging arrangement issues.

WACM11	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM12	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm</p>

						evidence that this defect is less significant than the defect that the modification seeks to address.
WACM13	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM14	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification

						proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.
WACM15	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.

WACM16	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.</p>
WACM17	N	N	N	N	N	<p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm</p>

						evidence that this defect is less significant than the defect that the modification seeks to address.
WACM18	N	N	N	N	N	The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by the paired CMP265 proposal and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. The proposed solution creates a defect, since all parties appear to accept that embedded generation provides some grid cost reduction, which would not be reflected in the payments to generators affected by the modification. There is no firm evidence that this defect is less significant than the defect that the modification seeks to address.

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member: Kirstin Gardner	WACM 8	The value of Triad payments has increased significantly in recent years and it seems unlikely that the forecast levels of the payment are matched by cost savings to the National Grid. We would agree that this is an issue that

		<p>needs to be addressed. However, the CUSC modification, or any alternative modifications that may come forward do not address the real problem. Both modification 264 and modification 265 create further distortions and discriminate against embedded generation. Neither modification is an attempt to create a level playing field.</p> <p>The issues surrounding charging arrangements and transmission network costs are far more complex than set out in the defect described by CMP265 and should be addressed by Ofgem through a SCR or via a more suitable modification proposal. However, all parties appear to accept that embedded generation provides some grid cost reduction and the value to be paid to embedded generators proposed by WACM 8 (£32.30) is based on sound analysis by an independent group, whose assessment confirms that this would be a cost reflective payment. As such, we believe that WACM 8 best achieves the CUSC objectives.</p>
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Jonathan Graham						
Original	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing</p>

							<p>unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM1	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p>

							<p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM2	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding</p>

							<p>the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM3	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for</p>

						<p>different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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WACM4	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this</p>
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							modification will apply costs which could be avoided.
WACM5	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create</p>

							significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.
WACM6	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging</p>

							methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.
WACM7	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p>

							<p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM8	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing</p>

							<p>unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM9	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p>

							<p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM10	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding</p>

							<p>the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM11	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for</p>

						<p>different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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WACM12	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to</p>
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							address the demand residual, meaning this modification will apply costs which could be avoided.
WACM13	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create</p>

							significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.
WACM14	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p>

							<p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM15	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand</p>

							<p>residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM16	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation</p>

							<p>and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM17	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different</p>

						<p>demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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WACM18	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to</p>
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							address the demand residual, meaning this modification will apply costs which could be avoided.
WACM19	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and</p>

							later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.
WACM20	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>

							(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.
WACM21	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific</p>

							<p>network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM22	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand</p>

							<p>residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM23	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current</p>

							<p>locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Jonathan Graham						
Original	N/A	N/A	N/A	N/A	N/A	N/A	
WACM1	No	No	No	No	Yes	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying</p>

							<p>symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, which have not been assessed, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided..</p>
WACM2	No	No	No	No	Yes	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and</p>

							<p>whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, which have not been assessed, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM3	No	No	No	No	Yes	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these</p>

							<p>distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, which have not been assessed, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM4	No	No	No	No	Yes	No	(a) This proposal creates new distortions between different types of generation (exported and on-site)

						<p>and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, which have not been assessed, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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WACM5	No	No	No	No	Yes	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, which have not been assessed, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand</p>
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							residual, meaning this modification will apply costs which could be avoided.
WACM6	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination. It is also better than many other alternatives as it maintains the marginal difference in locational signals between different locations.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing</p>

							<p>unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM7	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination. It is also better than many other alternatives as it maintains the marginal difference in locational signals between different locations.</p>

						<p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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WACM8	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
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							(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.
WACM9	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p>

							<p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM10	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p>

						<p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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WACM11	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
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							(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.
WACM12	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network</p>

							<p>costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM13	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand</p>

							<p>residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM14	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational</p>

							<p>charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM15	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p>

							<p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM16	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different</p>

						<p>charging methodologies for different demand users No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided</p>
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WACM17	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and the application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to</p>
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							address the demand residual, meaning this modification will apply costs which could be avoided.
WACM18	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and lat</p>

							application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided
WACM19	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing</p>

							<p>unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM20	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational</p>

							<p>charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM21	Yes	Yes	Yes	Yes	Yes	Yes	(a) This proposal creates new distortions between different types of generation (exported and on-site)

						<p>and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create</p>
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							significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.
WACM22	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it better applies the proposed demarcation between new plant and existing plant as intended by the proposer.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p>

							<p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM23	Yes	Yes	Yes	Yes	Yes	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p>

						<p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member Jonathan Graham</p>	<p>CUSC baseline</p>	<p>(a) This proposal and all of the alternatives create new distortions between different types of generation (CM and non-CM; exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and</p>

		<p>whether this is reflected by the current locational charge. However, ADE E is the best assessment available to reflect the avoided cost from distributed generation.</p> <p>(c) The proposal and related alternatives do not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) The proposal and all of the alternatives apply discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The proposal and all of the alternatives will apply different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	Workgroup member Jonathan Graham						
Original	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (CM and non-CM; exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand</p>

							<p>residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM1	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current</p>

							<p>locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM2	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p>

							<p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM3	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction,</p>

						<p>applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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WACM4	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this</p>
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							modification will apply costs which could be avoided.
WACM5	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create</p>

							significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.
WACM6	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging</p>

							methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.
WACM7	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p>

							<p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM8	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing</p>

							<p>unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM9	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p>

							<p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM10	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding</p>

							<p>the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM11	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for</p>

						<p>different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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WACM12	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to</p>
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							address the demand residual, meaning this modification will apply costs which could be avoided.
WACM13	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create</p>

							significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.
WACM14	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p>

							<p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM15	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand</p>

							<p>residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM16	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation</p>

							<p>and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM17	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No</p>

						<p>solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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WACM18	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to</p>
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							address the demand residual, meaning this modification will apply costs which could be avoided.
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**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Insert name}						
Original	N/A	N/A	N/A	N/A	N/A	N/A	
WACM1	No	No	No	No	Yes	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p>

							<p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM2	No	No	No	No	Yes	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the</p>

							<p>need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM3	No	No	No	No	Yes	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand</p>

							<p>residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM4	No	No	No	No	Yes	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p>

							<p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM5	No	No	No	No	Yes	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and</p>

							<p>whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM6	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p>

						<p>However, it is better than the original proposal as it reduces the overall impact of this discrimination. It is also better than many other alternatives as it maintains the marginal difference in locational signals between different locations.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and lat</p>
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							application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided
WACM7	Yes	Yes	Yes	Yes	No	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination. It is also better than many other alternatives as it maintains the marginal difference in locational signals between different locations.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p>

							<p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM8	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p>

						<p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of evidence this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, which found that distributed generation investments at the distribution level displace relatively high-cost transmission asset investment of £18.50/kW, in addition to network operating costs of £13/kW. This approach reduces the risk of replacing the existing charging methodology with a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and</p>
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							small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided
WACM9	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network</p>

							<p>costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM10	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better.</p>

							<p>aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM11	Yes	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for</p>

						<p>different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create</p>
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							significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.
WACM12	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging</p>

							methodologies for different users will create significant administrative costs for suppliers, and lat application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided
WACM13	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p>

							<p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM14	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing</p>

							<p>unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM15	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p>

							<p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and late application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM16	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding t</p>

							<p>long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and lat application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM17	No	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users</p>

							<p>No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
WACM18	No	No	No	No	No	No	(a) This proposal creates new distortions between different types of generation (exported and on-site;

						<p>CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, and the application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
<p data-bbox="190 799 568 863"><b>Workgroup member Jonathan Graham</b></p>	<p data-bbox="685 799 853 831">CUSC baseline</p>	<p data-bbox="1368 276 2029 549">(a) This proposal and all of the alternatives create new distortions between different types of generation (CM and non-CM; exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p data-bbox="1368 592 2051 991">(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, ADE E is the best assessment available to reflect the avoided cost from distributed generation. In lieu of a full review of available analysis, ADE is the most appropriate assessment and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p data-bbox="1368 1034 2029 1262">(c) The proposal and related alternatives do not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p data-bbox="1368 1305 2029 1374">(d) The proposal and all of the alternatives apply discrimination between different users does not comply</p>

		<p>with Directive 2009/72/EC.</p> <p>(e) The proposal and all of the alternatives will apply different charging methodologies for different users will create significant administrative costs for suppliers, and later application to on-site generators will create significant new inefficiencies for both suppliers and small generators. Further action will be required to address the demand residual, meaning this modification will apply costs which could be avoided.</p>
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Applicable CUSC Objectives

<b>Charging CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Original	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing</p>

						<p>unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM1	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not</p>

						comply with Directive 2009/72/EC.
WACM2	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>

WACM3	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM4	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these</p>

						<p>distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM5	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current</p>

						<p>locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM6	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing</p>

						<p>unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM7	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not</p>

						comply with Directive 2009/72/EC.
WACM8	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>

WACM9	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM10	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these</p>

						<p>distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM11	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current</p>

						<p>locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM12	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand</p>

						<p>residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM13	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific</p>

						<p>network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM14	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>

WACM15	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM16	No	No	No	No	No	(a) This proposal creates new distortions between

						<p>different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM17	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different</p>

						<p>demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM18	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding</p>

						<p>the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM19	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying</p>

						<p>symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM20	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific</p>

						<p>network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM21	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>

WACM22	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM23	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site)</p>

						<p>and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
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## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Original	N/A	N/A	N/A	N/A	N/A	
WACM1	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing</p>

						<p>unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM2	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not</p>

						comply with Directive 2009/72/EC.
WACM3	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM4	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for</p>

						<p>different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p> <p>(e) The application of different charging methodologies for different users will create significant administrative costs for suppliers, which have not been assessed, and later application to on-site generators will create significant new inefficiencies for both suppliers and small ge</p>
WACM5	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for</p>

						<p>different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM6	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination. It is also better than many other alternatives as it maintains the marginal difference in locational signal</p>

						<p>between different locations.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM7	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p>

						<p>However, it is better than the original proposal as it reduces the overall impact of this discrimination. It is also better than many other alternatives as it maintains the marginal difference in locational signal between different locations.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM8	Yes	Yes	Yes	Yes	Yes	(a) This proposal creates new distortions between different types of generation (exported and on-site)

						<p>and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM9	Yes	Yes	Yes	Yes	Yes	(a) This proposal creates new distortions between

					<p>different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
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WACM10	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
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WACM11	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
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WACM12	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM13	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users.</p>

						<p>No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM14	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational</p>

						<p>charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM15	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the</p>

						<p>need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM16	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>

WACM17	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM18	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users.</p>

						<p>No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM19	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and</p>

						<p>whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM20	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the</p>

						<p>long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM21	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p>

						<p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM22	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it better applies the proposed demarcation between</p>

						<p>new plant and existing plant as intended by the proposer.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM23	Yes	Yes	Yes	Yes	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these</p>

					<p>distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
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### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
<p>Workgroup member Jonathan Graham</p>	<p>CUSC baseline</p>	<p>(a) This proposal and all of the alternatives create new distortions between different types of generation (CM and non-CM; exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, ADE E is the best assessment available to reflect the avoided transmission network cost from distributed generation.</p>

		<p>(c) The proposal and related alternatives do not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) The proposal and all of the alternatives would apply discrimination between different users does not comply with Directive 2009/72/EC.</p>
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Applicable CUSC Objectives

Charging CUSC Objectives	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Original	No	No	No	No	No	(a) This proposal creates new distortions between different types of generation (CM and non-CM; exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.

						<p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM1	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand</p>

						<p>residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM2	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p>

						(d) Discrimination between different users does not comply with Directive 2009/72/EC.
WACM3	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>

WACM4	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM5	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these</p>

						<p>distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM6	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current</p>

						<p>locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM7	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing</p>

						<p>unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM8	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not</p>

						comply with Directive 2009/72/EC.
WACM9	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>

WACM10	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM11	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these</p>

						<p>distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM12	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation</p>

						<p>and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM13	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying</p>

						<p>symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM14	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific</p>

						<p>network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM15	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>

WACM16	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM17	No	No	No	No	No	(a) This proposal creates new distortions between

						<p>different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM18	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and not) and between generation and demand reduction, applying different charging methodologies for different demand users. No</p>

						<p>solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
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**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Original	N/A	N/A	N/A	N/A	N/A	
WACM1	No	No	No	No	No	(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for

						<p>different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM2	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and</p>

						<p>whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM3	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand</p>

						<p>residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM4	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p>

						(d) Discrimination between different users does not comply with Directive 2009/72/EC.
WACM5	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>

WACM6	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination. It is also better than many other alternatives as it maintains the marginal difference in locational signal between different locations.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p>
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						(d) Discrimination between different users does not comply with Directive 2009/72/EC.
WACM7	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination. It is also better than many other alternatives as it maintains the marginal difference in locational signal between different locations.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying</p>

						<p>symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM8	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of evidence this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, which found that distributed generation investments at the distribution level displace</p>

						<p>relatively high-cost transmission asset investment of £18.50/kW, in addition to network operating costs of £13/kW. This approach reduces the risk of replacing the existing charging methodology with a less cost reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM9	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and</p>

						<p>whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM10	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it reduces the overall impact of this discrimination.</p>

						<p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM11	Yes	Yes	Yes	Yes	Yes	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable. However, it is better than the original proposal as it</p>

						<p>reduces the overall impact of this discrimination.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, in lieu of a full review of available analysis, this proposal is more appropriate and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM12	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users.</p>

						<p>No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM13	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the</p>

						<p>long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM14	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p>

						<p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM15	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the</p>

						<p>need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
WACM16	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not</p>

						comply with Directive 2009/72/EC.
WACM17	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>

WACM18	No	No	No	No	No	<p>(a) This proposal creates new distortions between different types of generation (exported and on-site; CM/CfD contracts and those without) and between generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge.</p> <p>(c) The proposal does not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) Discrimination between different users does not comply with Directive 2009/72/EC.</p>
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**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member Jonathan Graham	CUSC baseline	(a) This proposal and all of the alternatives create new distortions between different types of generation (CM and non-CM; exported and on-site) and between

		<p>generation and demand reduction, applying different charging methodologies for different demand users. No solution to these distortions and discrimination are foreseeable.</p> <p>(b) Insufficient analysis was undertaken regarding the long run marginal cost of distributed generation and whether this is reflected by the current locational charge. However, ADE E is the best assessment available to reflect the avoided cost from distributed generation. In lieu of a full review of available analysis, ADE is the most appropriate assessment and better aligns with quantitative evidence provided to the Workgroup by Cornwall Energy, and reduces the risk of changing the charging methodology to a less cost-reflective one.</p> <p>(c) The proposal and related alternatives do not address the underlying symptom which is creating a growing demand residual, which is caused by both the growing unallocated cost of transmission networks and the need to better allocate and socialise specific network costs to users.</p> <p>(d) The proposal and all of the alternatives apply discrimination between different users does not comply with Directive 2009/72/EC.</p>
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<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Sam Wither						
Original	N	N	N	N	Y	N	Creates greater distortions that distortion it is trying to address and reduces competition. Furthermore breaches EU Commission on State Aid for Capacity Market (ie CM to be complementary to other eligible revenue streams and embedded benefits is eligible to be compatible).
WACM1	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn

							more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM2	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM3	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected

							generation between 2018 - 2033.
WACM4	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM5	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.

WACM6	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM7	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM8	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW

								(144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM9	N	N	N	Y	Y	N		Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM10	N	Y	Y	Y	Y	Y		Presents a simple improvement to the CUSC baseline to halt the issue of the increasing demand residual element as forecast however it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to

							baseline.
WACM11	N	Y	Y	Y	Y	Y	Presents an incremental improvement to the CUSC baseline to remove some of the cost drivers that are increasing the demand residual element of the demand TNUoS charges. However, it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.
WACM12	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM13	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM14	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and

								improves cost reflectivity with retained locational signals.
WACM15	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM16	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM17	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM18	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational

							signals.
WACM19	Y	Y	Y	Y	Y	Y	Improves competition, removes majority of discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions (although potential to still strand some capacity) and improves cost reflectivity with retained locational signals.
WACM20	N	Y	Y	Y	Y	Y	Introduces later cut-off date and therefore fails to address competition distortions identified in the up and coming capacity markets from newbuild Distributed generation entering into the T-4 2016 and the T-4 2017. However, this modification does remove discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions. Additionally this WACM presents a glide path for existing DG of 5 years to enable a slower transition that could present benefits to measuring impacts to security of supply and the end consumer. Overall this modification improves cost reflectivity with retained locational signals.
WACM21	N	Y	Y	Y	Y	Y	Introduces later cut-off date and therefore fails to address competition distortions identified in the up and coming capacity markets from newbuild Distributed generation entering into the T-4 2016

								and the T-4 2017. However, this modification does remove discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM22	Y	Y	Y	Y	Y	Y	Y	Improves competition in the Capacity Market, removes discrimination issues of stranding newbuild CM/CfD & CHP (RO) committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM23	N	N	N	Y	Y	N	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Sam Wither						
WACM1	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to

							existing and newbuild Transmission connected generation between 2018 - 2033.
WACM2	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM3	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild

							CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM4	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM5	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a

								result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM6	N	N	N	Y	Y	N		Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM7	N	N	N	Y	Y	N		Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the

							end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM8	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM9	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would

								become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM10	N	Y	Y	Y	Y	Y	Y	Presents a simple improvement to the CUSC baseline to halt the issue of the increasing demand residual element as forecast however it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.
WACM11	N	Y	Y	Y	Y	Y	Y	Presents an incremental improvement to the CUSC baseline to remove some of the cost drivers that are increasing the demand residual element of the demand TNUoS charges. However, it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.

WACM12	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM13	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM14	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM15	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM16	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild

								CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM17	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM18	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM19	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes majority of discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions (although potential to still strand some capacity) and improves cost reflectivity with retained locational signals.
WACM20	N	Y	Y	Y	Y	Y	Y	Introduces later cut-off date and therefore fails to address competition distortions

							identified in the up and coming capacity markets from newbuild Distributed generation entering into the T-4 2016 and the T-4 2017. However, this modification does remove discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions. Additionally this WACM presents a glide path for existing DG of 5 years to enable a slower transition that could present benefits to measuring impacts to security of supply and the end consumer. Overall this modification improves cost reflectivity with retained locational signals.
WACM21	N	Y	Y	Y	Y	Y	Introduces later cut-off date and therefore fails to address competition distortions identified in the up and coming capacity markets from newbuild Distributed generation entering into the T-4 2016 and the T-4 2017. However, this modification does remove discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.

WACM22	Y	Y	Y	Y	Y	Y	Improves competition in the Capacity Market, removes discrimination issues of stranding newbuild CM/CfD & CHP (RO) committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM23	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member Sam Wither	WACM15	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions (resulting in savings up to £1.5bn to the end consumer) and improves cost reflectivity with retained locational signals.

Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Sam Wither						
Original	N	N	N	N	Y	N	Creates greater distortions that distortion it is trying to address and reduces competition. Furthermore breaches EU Commission on State Aid for Capacity Market (ie CM to be complementary to other eligible revenue streams and embedded benefits is eligible to be compatible).
WACM1	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.

WACM2	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM3	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM4	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.

WACM5	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM6	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM7	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.

WACM8	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM9	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM10	N	Y	Y	Y	Y	Y	Presents a simple improvement to the CUSC baseline to halt the issue of the increasing demand residual element as forecast however it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.
WACM11	N	Y	Y	Y	Y	Y	Presents an incremental improvement to the CUSC baseline to remove some of the cost drivers that are increasing the demand residual element of the demand TNUoS charges. However, it does not address the

							concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.
WACM12	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM13	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM14	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM15	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM16	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.

WACM17	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM18	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Sam Wither						
Original							
WACM1	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition.

							Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM2	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM3	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission

							connected generation between 2018 - 2033.
WACM4	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM5	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM6	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and

							ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM7	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM8	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM9	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition.

							Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM10	N	Y	Y	Y	Y	Y	Presents a simple improvement to the CUSC baseline to halt the issue of the increasing demand residual element as forecast however it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.
WACM11	N	Y	Y	Y	Y	Y	Presents an incremental improvement to the CUSC baseline to remove some of the cost drivers that are increasing the demand residual element of the demand TNUoS charges. However, it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.
WACM12	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.

WACM13	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM14	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM15	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM16	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM17	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.

WACM18	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
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### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member Sam Wither	WACM15	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions (resulting in savings up to £1.5bn to the end consumer) and improves cost reflectivity with retained locational signals.

<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP269:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Sam Wither						
Original	N	N	N	N	Y	N	Creates greater distortions that distortion it is trying to address and reduces competition. Furthermore breaches EU Commission on State Aid for Capacity Market (ie CM to be complementary to other eligible revenue streams and embedded benefits is eligible to be compatible).
WACM1	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn

							more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM2	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM3	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected

							generation between 2018 - 2033.
WACM4	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM5	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.

WACM6	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM7	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM8	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW

								(144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM9	N	N	N	Y	Y	N		Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM10	N	Y	Y	Y	Y	Y		Presents a simple improvement to the CUSC baseline to halt the issue of the increasing demand residual element as forecast however it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to

							baseline.
WACM11	N	Y	Y	Y	Y	Y	Presents an incremental improvement to the CUSC baseline to remove some of the cost drivers that are increasing the demand residual element of the demand TNUoS charges. However, it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.
WACM12	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM13	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM14	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and

								improves cost reflectivity with retained locational signals.
WACM15	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM16	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM17	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM18	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational

							signals.
WACM19	Y	Y	Y	Y	Y	Y	Improves competition, removes majority of discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions (although potential to still strand some capacity) and improves cost reflectivity with retained locational signals.
WACM20	N	Y	Y	Y	Y	Y	Introduces later cut-off date and therefore fails to address competition distortions identified in the up and coming capacity markets from newbuild Distributed generation entering into the T-4 2016 and the T-4 2017. However, this modification does remove discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions. Additionally this WACM presents a glide path for existing DG of 5 years to enable a slower transition that could present benefits to measuring impacts to security of supply and the end consumer. Overall this modification improves cost reflectivity with retained locational signals.
WACM21	N	Y	Y	Y	Y	Y	Introduces later cut-off date and therefore fails to address competition distortions identified in the up and coming capacity markets from newbuild Distributed generation entering into the T-4 2016

								and the T-4 2017. However, this modification does remove discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM22	Y	Y	Y	Y	Y	Y	Y	Improves competition in the Capacity Market, removes discrimination issues of stranding newbuild CM/CfD & CHP (RO) committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM23	N	N	N	Y	Y	N	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Sam Wither						
WACM1	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to

							existing and newbuild Transmission connected generation between 2018 - 2033.
WACM2	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM3	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild

							CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM4	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM5	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a

								result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM6	N	N	N	Y	Y	N		Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM7	N	N	N	Y	Y	N		Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the

							end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM8	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM9	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would

								become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM10	N	Y	Y	Y	Y	Y	Y	Presents a simple improvement to the CUSC baseline to halt the issue of the increasing demand residual element as forecast however it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.
WACM11	N	Y	Y	Y	Y	Y	Y	Presents an incremental improvement to the CUSC baseline to remove some of the cost drivers that are increasing the demand residual element of the demand TNUoS charges. However, it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.

WACM12	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM13	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM14	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM15	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM16	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild

								CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM17	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM18	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM19	Y	Y	Y	Y	Y	Y	Y	Improves competition, removes majority of discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions (although potential to still strand some capacity) and improves cost reflectivity with retained locational signals.
WACM20	N	Y	Y	Y	Y	Y	Y	Introduces later cut-off date and therefore fails to address competition distortions

							identified in the up and coming capacity markets from newbuild Distributed generation entering into the T-4 2016 and the T-4 2017. However, this modification does remove discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions. Additionally this WACM presents a glide path for existing DG of 5 years to enable a slower transition that could present benefits to measuring impacts to security of supply and the end consumer. Overall this modification improves cost reflectivity with retained locational signals.
WACM21	N	Y	Y	Y	Y	Y	Introduces later cut-off date and therefore fails to address competition distortions identified in the up and coming capacity markets from newbuild Distributed generation entering into the T-4 2016 and the T-4 2017. However, this modification does remove discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.

WACM22	Y	Y	Y	Y	Y	Y	Improves competition in the Capacity Market, removes discrimination issues of stranding newbuild CM/CfD & CHP (RO) committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM23	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member Sam Wither	WACM15	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions (resulting in savings up to £1.5bn to the end consumer) and improves cost reflectivity with retained locational signals.

Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP270:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Sam Wither						
Original	N	N	N	N	Y	N	Creates greater distortions that distortion it is trying to address and reduces competition. Furthermore breaches EU Commission on State Aid for Capacity Market (ie CM to be complementary to other eligible revenue streams and embedded benefits is eligible to be compatible).
WACM1	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.

WACM2	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM3	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM4	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.

WACM5	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM6	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM7	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.

WACM8	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM9	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM10	N	Y	Y	Y	Y	Y	Presents a simple improvement to the CUSC baseline to halt the issue of the increasing demand residual element as forecast however it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.
WACM11	N	Y	Y	Y	Y	Y	Presents an incremental improvement to the CUSC baseline to remove some of the cost drivers that are increasing the demand residual element of the demand TNUoS charges. However, it does not address the

							concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.
WACM12	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM13	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM14	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM15	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM16	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.

WACM17	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM18	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member Sam Wither						
Original							
WACM1	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition.

							Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM2	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM3	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission

							connected generation between 2018 - 2033.
WACM4	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM5	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM6	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and

							ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM7	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM8	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition. Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM9	N	N	N	Y	Y	N	Creates greater distortion and discrimination than the distortion it is trying to address and reduces competition.

							Specifically, against 1.7GW – 2GW (144 – 165 sites) of 2014 and 2015 CM/CfD newbuilds which are locked into 15 year fixed price CM/CfD commitments and would become stranded and ultimately cost the end consumer net £1.5bn more and as a result of procuring replacement newbuild CM/CfD capacity and hand windfall gains to existing and newbuild Transmission connected generation between 2018 - 2033.
WACM10	N	Y	Y	Y	Y	Y	Presents a simple improvement to the CUSC baseline to halt the issue of the increasing demand residual element as forecast however it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.
WACM11	N	Y	Y	Y	Y	Y	Presents an incremental improvement to the CUSC baseline to remove some of the cost drivers that are increasing the demand residual element of the demand TNUoS charges. However, it does not address the concerns of competition being distorted under CUSC objective A. In the round it does better facilitate the CUSC objectives when compared to baseline.
WACM12	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.

WACM13	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM14	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM15	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM16	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
WACM17	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.

WACM18	Y	Y	Y	Y	Y	Y	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions and improves cost reflectivity with retained locational signals.
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### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Workgroup member Sam Wither	WACM15	Improves competition, removes discrimination issues of stranding newbuild CM/CfD committed assets from 2014 and 2015 EMR auctions (resulting in savings up to £1.5bn to the end consumer) and improves cost reflectivity with retained locational signals.

<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Paul Jones						
Original	Y	Neutral	Neutral	Neutral	N	Y	<p>As a temporary measure it removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of the generator's commissioning date, which is not relevant basis for TNUoS charging. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p> <p>On the basis that the grandfathering is meant to be temporary, on balance this is better</p>

							than the baseline.
WACM1	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the generation residual charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network.
WACM2	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the generation residual charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network. Phasing potentially prevents benefits from being delivered sooner.
WACM3	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is removed and a more cost reflective charge replaces it. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational charge.

WACM4	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is removed and a more cost reflective charge replaces it. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational charge. Phasing potentially prevents benefits from being delivered sooner.
WACM5	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the generation residual charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational charge. Phasing potentially prevents benefits from being delivered sooner.
WACM6	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the inverse of the lowest locational charge limits the improvement in cost reflectivity as it

							doesn't reflect the impact that embedded generation has on the transmission network.
WACM7	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the inverse of the lowest locational charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network. Phasing potentially prevents benefits from being delivered sooner.
WACM8	N	N	Neutral	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year.
WACM9	N	N	Neutral	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which

							reacts to demand and supply year on year. It seeks to reflect the effect embedded generation has on the network but significantly over rewards it.
WACM10	N	N	Neutral	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year.
WACM11	Neutral	N	Neutral	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. The basis of the new charge is not more cost reflective as simply removing offshore costs does not reflect the impact that embedded generation has on the transmission network.
WACM12	N	N	Neutral	Neutral	N	N	Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of

							<p>whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other Plant which do not have such a hedge against transmission costs or revenues. Adding the generation residual charge to the payment made to affected generators limits the improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM13	N	N	Neutral	Neutral	N	N	<p>Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network.</p>

							<p>Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM14	N	N	Neutral	Neutral	N	N	<p>Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. Adding the generation residual charge to the payment made to affected generators limits the improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the</p>

							transmission network. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.
WACM15	N	N	Neutral	Neutral	N	N	Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. Adding the inverse of the lowest locational charge to the payment made to affected generators limits the improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.

WACM16	N	N	Neutral	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. For affected generators it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year. It seeks to reflect the effect embedded generation has on the network, but significantly over rewards it.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
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WACM17	N	N	Neutral	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues.</p> <p>For affected generators it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM18	N	N	Neutral	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes</p>

							<p>grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues.</p> <p>For affected generators, it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. The basis of the new charge is not more cost reflective as simply removing offshore costs does not reflect the impact that embedded generation has on the transmission network.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM19	N	N	Neutral	Neutral	N	N	It removes one form of discrimination and introduces another as it includes grandfathering on the basis of the generator's

							<p>commissioning date, which is not relevant basis for TNUoS charging. Freezing the charge at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year and provides a hedge against TNUoS charges which other generators do not get.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM20	N	N	Neutral	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of the generator's commissioning date, which is not relevant basis for TNUoS charging. Freezing the charge at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year.</p> <p>For affected generators, it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same</p>

							<p>order of magnitude for 5 years. The basis of the new charge is not cost reflective as it simply adds a fixed figure for that period. Additionally, after this period affected generators are paid the inverse of the generation residual charge, but only if it goes negative. Neither of these charges reflect the impact that embedded generation has on the transmission network.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM21	N	N	Neutral	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of the generator's commissioning date, which is not relevant basis for TNUoS charging. Freezing the charge at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year and provides a hedge against TNUoS charges which other generators do not get.</p> <p>Additionally, this option seeks to lock in the</p>

							<p>benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. Adding the inverse of the lowest locational charge to the payment made to affected generators limits the improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM22	N	N	Neutral	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of the generator's commissioning date or whether the generator holds a 2014 or 2015 CM agreement or CfD, which is not relevant basis for TNUoS charging. This option seeks to lock in a fixed level of benefit going forwards, which is not cost reflective and discriminates against other plant which do not have such a hedge against transmission costs or revenues.</p> <p>Grandfathering is less efficient</p>

							administratively as Parties and National Grid will have to separately identify and process those sites by exception.
WACM23	N	N	Neutral	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of a generator's commissioning date or whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards for 10 years, which discriminates against other plant which do not have such a hedge against transmission costs or revenues.</p> <p>For affected generators it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year. It seeks to reflect the effect embedded generation has on the network, but significantly over rewards</p>

							<p>it.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
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**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Paul Jones						

Original	n/a	n/a	n/a	n/a	n/a	n/a	
WACM1	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM2	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM3	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM4	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM5	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM6	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM7	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM8	N	N	Neutral	Neutral	Y	N	See reasons under voting against baseline.
WACM9	N	N	Neutral	Neutral	Y	N	See reasons under voting against baseline.
WACM10	N	N	Neutral	Neutral	Y	N	See reasons under voting against baseline.

WACM11	N	N	Neutral	Neutral	Y	N	See reasons under voting against baseline.
WACM12	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM13	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM14	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM15	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM16	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM17	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM18	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM19	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM20	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM21	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.

WACM22	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM23	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Paul Jones	WACM3	Discrimination on basis of being embedded is removed and a more cost reflective charge replaces it. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational

		charge. Does not have the administrative complexities associated with grandfathering.
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Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	Paul Jones						
Original	Y	Neutral	Neutral	Neutral	N	Y	<p>As a temporary measure it removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether a generator has a CM agreement or not, which is not relevant basis for TNUoS charging. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p> <p>On balance this is marginally better than</p>

							the baseline.
WACM1	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the generation residual charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network.
WACM2	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the generation residual charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network. Phasing potentially prevents benefits from being delivered sooner.
WACM3	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is removed and a more cost reflective charge replaces it. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist

							over and above the locational charge.
WACM4	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is removed and a more cost reflective charge replaces it. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational charge. Phasing potentially prevents benefits from being delivered sooner.
WACM5	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the generation residual charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational charge. Phasing potentially prevents benefits from being delivered sooner.
WACM6	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more

							cost reflective charge replaces it. However, adding the inverse of the lowest locational charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network.
WACM7	Y	Y	Neutral	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the inverse of the lowest locational charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network. Phasing potentially prevents benefits from being delivered sooner.
WACM8	N	N	Neutral	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year.

WACM9	N	N	Neutral	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year. It seeks to reflect the effect embedded generation has on the network but significantly over rewards it.
WACM10	N	N	Neutral	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year.
WACM11	Neutral	N	Neutral	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. The basis of the new charge is not more cost reflective as simply removing offshore

							costs does not reflect the impact that embedded generation has on the transmission network.
WACM12	N	N	Neutral	Neutral	N	N	Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other Plant which do not have such a hedge against transmission costs or revenues. Adding the generation residual charge to the payment made to affected generators limits the improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by

							exception.
WACM13	N	N	Neutral	Neutral	N	N	Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.
WACM14	N	N	Neutral	Neutral	N	N	Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or

							<p>2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. Adding the generation residual charge to the payment made to affected generators limits the improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM15	N	N	Neutral	Neutral	N	N	<p>Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the</p>

							<p>impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. Adding the inverse of the lowest locational charge to the payment made to affected generators limits the improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM16	N	N	Neutral	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do</p>

							<p>not have such a hedge against transmission costs or revenues. For affected generators it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year. It seeks to reflect the effect embedded generation has on the network, but significantly over rewards it.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM17	N	N	Neutral	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which</p>

							<p>discriminates against other plant which do not have such a hedge against transmission costs or revenues.</p> <p>For affected generators it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM18	N	N	Neutral	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which</p>

						<p>discriminates against other plant which do not have such a hedge against transmission costs or revenues.</p> <p>For affected generators, it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. The basis of the new charge is not more cost reflective as simply removing offshore costs does not reflect the impact that embedded generation has on the transmission network.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
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**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Insert name}						
Original	n/a	n/a	n/a	n/a	n/a	n/a	
WACM1	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.

WACM2	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM3	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM4	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM5	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM6	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM7	Y	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM8	N	N	Neutral	Neutral	Y	N	See reasons under voting against baseline.
WACM9	N	N	Neutral	Neutral	Y	N	See reasons under voting against baseline.
WACM10	N	N	Neutral	Neutral	Y	N	See reasons under voting against baseline.
WACM11	N	N	Neutral	Neutral	Y	N	See reasons under voting against baseline.
WACM12	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.

WACM13	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM14	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM15	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM16	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM17	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.
WACM18	N	N	Neutral	Neutral	Neutral	N	See reasons under voting against baseline.

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Paul Jones	WACM3	Discrimination on basis of being embedded is removed and a more cost reflective charge replaces it. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational charge. Does not have the administrative complexities associated with grandfathering.

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Paul Jones					
Original	Neutral	Y	Neutral	N	Y	<p>As a temporary measure it removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of the generator's commissioning date, which is not relevant basis for TNUoS charging. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p> <p>On the basis that the grandfathering is meant to be temporary, on balance this is better than the baseline.</p>

WACM1	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the generation residual charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network.
WACM2	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the generation residual charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network. Phasing potentially prevents benefits from being delivered sooner.
WACM3	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is removed and a more cost reflective charge replaces it. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational charge.
WACM4	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is removed and a more cost reflective charge replaces it. The avoided GSP charge is the only embedded benefit which has been demonstrated

						to exist over and above the locational charge. Phasing potentially prevents benefits from being delivered sooner.
WACM5	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the generation residual charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational charge. Phasing potentially prevents benefits from being delivered sooner.
WACM6	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the inverse of the lowest locational charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network.
WACM7	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the inverse of the

						lowest locational charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network. Phasing potentially prevents benefits from being delivered sooner.
WACM8	N	N	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year.
WACM9	N	N	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year. It seeks to reflect the effect embedded generation has on the network but significantly over rewards it.
WACM10	N	N	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of

						<p>magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year.</p>
WACM11	N	Neutral	Neutral	Neutral	N	<p>Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. The basis of the new charge is not more cost reflective as simply removing offshore costs does not reflect the impact that embedded generation has on the transmission network.</p>
WACM12	N	N	Neutral	N	N	<p>Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other Plant which do not have such a hedge against transmission costs or revenues. Adding the generation residual charge to the payment made to affected generators limits the</p>

						improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.
WACM13	N	N	Neutral	N	N	Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.
WACM14	N	N	Neutral	N	N	Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering

						<p>on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. Adding the generation residual charge to the payment made to affected generators limits the improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM15	N	N	Neutral	N	N	<p>Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates</p>

						<p>against other plant which do not have such a hedge against transmission costs or revenues. Adding the inverse of the lowest locational charge to the payment made to affected generators limits the improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM16	N	N	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. For affected generators it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going</p>

						<p>forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year. It seeks to reflect the effect embedded generation has on the network, but significantly over rewards it.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM17	N	N	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues.</p> <p>For affected generators it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply</p>

						<p>year on year.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM18	N	N	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues.</p> <p>For affected generators, it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. The basis of the new charge is not more cost reflective as simply removing offshore costs does not reflect the impact that embedded generation has on the transmission network.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately</p>

						identify and process those sites by exception.
WACM19	N	N	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of the generator's commissioning date, which is not relevant basis for TNUoS charging. Freezing the charge at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year and provides a hedge against TNUoS charges which other generators do not get.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM20	N	N	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of the generator's commissioning date, which is not relevant basis for TNUoS charging. Freezing the charge at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year.</p> <p>For affected generators, it takes the current discriminatory charging regime, with the</p>

						<p>associated distortion of competition, and replaces it with one which is of the same order of magnitude for 5 years. The basis of the new charge is not cost reflective as it simply adds a fixed figure for that period. Additionally, after this period affected generators are paid the inverse of the generation residual charge, but only if it goes negative. Neither of these charges reflect the impact that embedded generation has on the transmission network.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM21	N	N	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of the generator's commissioning date, which is not relevant basis for TNUoS charging. Freezing the charge at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year and provides a hedge against TNUoS charges which other generators do not get.</p> <p>Additionally, this option seeks to lock in the benefit going forwards, which discriminates</p>

						<p>against other plant which do not have such a hedge against transmission costs or revenues. Adding the inverse of the lowest locational charge to the payment made to affected generators limits the improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM22	N	N	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of the generator's commissioning date or whether the generator holds a 2014 or 2015 CM agreement or CfD, which is not relevant basis for TNUoS charging. This option seeks to lock in a fixed level of benefit going forwards, which is not cost reflective and discriminates against other plant which do not have such a hedge against transmission costs or revenues.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>

WACM23	N	N	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of a generator's commissioning date or whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards for 10 years, which discriminates against other plant which do not have such a hedge against transmission costs or revenues.</p> <p>For affected generators it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year. It seeks to reflect the effect embedded generation has on the network, but significantly over rewards it.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
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## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Paul Jones					
Original	n/a	n/a	n/a	n/a	n/a	n/a
WACM1	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM2	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM3	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM4	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.

WACM5	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM6	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM7	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM8	N	N	Neutral	Y	N	See reasons under voting against baseline.
WACM9	N	N	Neutral	Y	N	See reasons under voting against baseline.
WACM10	N	N	Neutral	Y	N	See reasons under voting against baseline.
WACM11	N	N	Neutral	Y	N	See reasons under voting against baseline.
WACM12	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM13	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM14	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM15	N	N	Neutral	Neutral	N	See reasons under voting against baseline.

WACM16	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM17	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM18	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM19	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM20	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM21	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM22	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM23	N	N	Neutral	Neutral	N	See reasons under voting against baseline.

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Paul Jones	WACM3	Discrimination on basis of being embedded is removed and a more cost reflective charge replaces it. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational charge. Does not have the administrative complexities associated with grandfathering.

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
Paul Jones						
Original	Neutral	Y	Neutral	N	Y	<p>As a temporary measure it removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether a generator has a CM agreement or not, which is not relevant basis for TNUoS charging. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p> <p>On balance this is marginally better than the baseline.</p>

WACM1	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the generation residual charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network.
WACM2	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the generation residual charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network. Phasing potentially prevents benefits from being delivered sooner.
WACM3	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is removed and a more cost reflective charge replaces it. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational charge.
WACM4	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is removed and a more cost reflective charge replaces it. The avoided GSP charge is the only embedded benefit which has been demonstrated

						to exist over and above the locational charge. Phasing potentially prevents benefits from being delivered sooner.
WACM5	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the generation residual charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational charge. Phasing potentially prevents benefits from being delivered sooner.
WACM6	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the inverse of the lowest locational charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network.
WACM7	Y	Y	Neutral	Neutral	Y	Discrimination on basis of being embedded is largely removed and a more cost reflective charge replaces it. However, adding the inverse of the

						lowest locational charge limits the improvement in cost reflectivity as it doesn't reflect the impact that embedded generation has on the transmission network. Phasing potentially prevents benefits from being delivered sooner.
WACM8	N	N	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year.
WACM9	N	N	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year. It seeks to reflect the effect embedded generation has on the network but significantly over rewards it.
WACM10	N	N	Neutral	Neutral	N	Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of

						<p>magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year.</p>
WACM11	N	Neutral	Neutral	Neutral	N	<p>Takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. The basis of the new charge is not more cost reflective as simply removing offshore costs does not reflect the impact that embedded generation has on the transmission network.</p>
WACM12	N	N	Neutral	N	N	<p>Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other Plant which do not have such a hedge against transmission costs or revenues. Adding the generation residual charge to the payment made to affected generators limits the</p>

						improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.
WACM13	N	N	Neutral	N	N	Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.
WACM14	N	N	Neutral	N	N	Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering

						<p>on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. Adding the generation residual charge to the payment made to affected generators limits the improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM15	N	N	Neutral	N	N	<p>Removes the immediate threat to competition in the CM auctions in December. However, it removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates</p>

						<p>against other plant which do not have such a hedge against transmission costs or revenues. Adding the inverse of the lowest locational charge to the payment made to affected generators limits the improvement in cost reflectivity in their charge as it doesn't reflect the impact that embedded generation has on the transmission network. Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM16	N	N	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues. For affected generators it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going</p>

						<p>forwards is arguably less cost reflective than a methodology which reacts to demand and supply year on year. It seeks to reflect the effect embedded generation has on the network, but significantly over rewards it.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM17	N	N	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues.</p> <p>For affected generators it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. Freezing it at the same level going forwards is arguably less cost reflective than a methodology which reacts to demand and supply</p>

						<p>year on year.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately identify and process those sites by exception.</p>
WACM18	N	N	Neutral	N	N	<p>It removes one form of discrimination and introduces another as it includes grandfathering on the basis of whether the generator holds a 2014 or 2015 CM agreement or CfD. This is also not a relevant basis on which to reflect the impact that embedded generation has on network. Additionally, this option seeks to lock in the benefit going forwards, which discriminates against other plant which do not have such a hedge against transmission costs or revenues.</p> <p>For affected generators, it takes the current discriminatory charging regime, with the associated distortion of competition, and replaces it with one which is of the same order of magnitude. The basis of the new charge is not more cost reflective as simply removing offshore costs does not reflect the impact that embedded generation has on the transmission network.</p> <p>Grandfathering is less efficient administratively as Parties and National Grid will have to separately</p>

						identify and process those sites by exception.
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**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original	n/a	n/a	n/a	n/a	n/a	n/a
WACM1	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM2	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM3	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.

WACM4	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM5	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM6	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM7	Y	Neutral	Neutral	Y	Y	See reasons under voting against baseline.
WACM8	N	N	Neutral	Y	N	See reasons under voting against baseline.
WACM9	N	N	Neutral	Y	N	See reasons under voting against baseline.
WACM10	N	N	Neutral	Y	N	See reasons under voting against baseline.
WACM11	N	N	Neutral	Y	N	See reasons under voting against baseline.
WACM12	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM13	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM14	N	N	Neutral	Neutral	N	See reasons under voting against baseline.

WACM15	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM16	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM17	N	N	Neutral	Neutral	N	See reasons under voting against baseline.
WACM18	N	N	Neutral	Neutral	N	See reasons under voting against baseline.

### Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)

Workgroup Member	BEST Option?	Rationale
Paul Jones	WACM3	Discrimination on basis of being embedded is removed and a more cost reflective charge replaces it. The avoided GSP charge is the only embedded benefit which has been demonstrated to exist over and above the locational charge. Does not have the administrative complexities associated with grandfathering.

<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}						
Original	No	No	No	-	-	N	See scanned sheet
WACM1	No	No	No	-	-	N	See scanned sheet
WACM2	No	Yes	No	-	-	N	See scanned sheet
WACM3	No	No	No	-	-	N	See scanned sheet
WACM4	No	No	No	-	-	N	See scanned sheet
WACM5	No	No	No	-	-	N	See scanned sheet

WACM6	No	No	No	-	-	N	See scanned sheet
WACM7	No	Yes	No	-	-	N	See scanned sheet
WACM8	Yes	Yes	Yes	-	-	Yes	See scanned sheet
WACM9	Yes	Yes	Yes	-	-	Yes	See scanned sheet
WACM10	Yes	Yes	Yes	-	-	Yes	See scanned sheet
WACM11	Yes	Yes	No	-	-	Yes	
WACM12	Yes	Yes	No	-	-	No	
WACM13	Yes	Yes	No	-	-	No	
WACM14	Yes	Yes	No	-	-	Yes	
WACM15	Yes	Yes	No	-	-	No	
WACM16	Yes	Yes	No	-	-	Yes	

WACM17	Yes	Yes	No	-	-	Yes	
WACM18	Yes	Yes	No	-	-	Yes	
WACM19	Yes	Yes	Yes	-	-	Yes	
WACM20	Yes	Yes	Yes	-	-	Yes	
WACM21	Yes	Yes	Yes	-	-	yes	
WACM22	Yes	Yes	Yes	-	-	Yes	
WACM23	Yes	Yes	No	-	-	Yes	

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Insert name}						
WACM1	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM2	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM3	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM4	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM5	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review

WACM6	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM7	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM8	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM9	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM10	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM11	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM12	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM13	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review

WACM14	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM15	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM16	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM17	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM18	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM19	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM20	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM21	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review

WACM22	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review
WACM23	YES	YES	YES	YES	YES	YES	All better than the original as original has a random cut off date and relies on a Ofgem review

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	No rating to be provided as no analysis to base a decision on	

CMP264:

### Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME} Lisa Waters						
Original	X	X	X	X	X	N	Concern over hard deadline + RD + is half baked
WACM1	X	X	X	X	X	N	Concern over impact on economics of embedded + more for customers + comp
WACM2	X	✓	X	X	X	N	
WACM3	X	X	X	X	X	N	Same as Custrica
WACM4	X	X	X	X	X	N	Same as Custrica
WACM5	X	X	X	X	X	N	"

Custrica  
NGA shop  
Uniqvar £1.6e  
SSFA  
SSFB



WACM17	✓	✓/?	×		✓	on WACM 16
WACM18 D-offshore	✓	✓/?	×		✓	It tries to end up at night no for comp + good care to recharge off shore another way = public good
WACM19 £45.33	✓	✓/?	✓		✓	Concern cut off data distribution competition, but better balance of costs vs benefits on comp
WACM20 27.18 Sjs Residual	✓	✓	✓		✓	Better balance on comp, security and treatment of old + new genes
WACM21						
WACM22	✓	✓/?	✓		✓	As for 20, but concern over low term divide between old + new <sup>profit</sup>
WACM23 £34.11 low	✓	✓/?	×		✓	10 years is a bit random, but better impact on comp

WFR

WFR

SS

WFR

WFR

WFR

WFR

10 years

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal** *LRN: 264*

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	<b>Workgroup member {insert name}</b>						
Original							
WACM1							
WACM2							
WACM3							
WACM4							
WACM5							
WACM6							

*All better than original have renders cut off date and values on our system*





**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline) 264 km**

Workgroup Member	BEST Option?	Rationale
Workgroup member {insert name}		

*Not voting - no idea or no analysis  
to base it on.*

*8 or 10?*

Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}						
Original	No	No	No	-	-	N	See scanned sheet
WACM1	No	No	No	-	-	N	See scanned sheet
WACM2	No	Yes	No	-	-	N	
WACM3	No	No	No	-	-	N	See scanned sheet
WACM4	No	No	No	-	-	N	See scanned sheet

WACM5	No	No	No	-	-	N	See scanned sheet
WACM6	NO	YES	NO	-	-	N	See scanned sheet
WACM7	No	Yes	No	-	-	No	See scanned sheet
WACM8	Yes	Yes	Yes	-	-	Yes	See scanned sheet
WACM9	Yes	Yes	Yes	-	-	Yes	See scanned sheet
WACM10	Yes	Yes	Yes	-	-	Yes	See scanned sheet
WACM11	Yes	Yes	No	-	-	no	See scanned sheet
WACM12	Yes	Yes	No	-	-	no	See scanned sheet
WACM13	Yes	Yes	No	-	-	no	See scanned sheet
WACM14	Yes	Yes	No	-	-	yes	See scanned sheet
WACM15	Yes	Yes	No	-	-	no	See scanned sheet

WACM16	Yes	Yes	No	-	-	yes	See scanned sheet
WACM17	Yes	Yes	No	-	-	yes	See scanned sheet
WACM18	Yes	Yes	No	-	-	yes	See scanned sheet

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {Insert name}						
WACM1	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM2	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM3	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM

WACM4	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM5	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM6	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM7	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM8	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM

WACM9	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM10	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM11	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM12	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM13	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM

WACM14	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM15	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM16	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM17	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM
WACM18	Yes	Yes	Yes	Yes	Yes	Yes	Anything is better than the original as it is unduly discriminatory by picking on only one class of plant. has nothing to do with charging and is just to do with levelling the playing field in the CM

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
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<b>Workgroup member {Insert name}</b>	No rating to be provided as no analysis to base a decision on	
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**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member (INSERT NAME) <i>Lisa Waters</i>						
Original	X	X	X			N	<i>unduly discriminatory</i>
WACM1	X	X	X			N	<i>concern over impact on embedded + customers re security + prices</i>
WACM2	X	✓	X			N	<i>same as above, but slower</i>
WACM3	X	X	X			N	<i>same as WACM1</i>
WACM4	X	X	X			N	<i>WACM1</i>
WACM5	X	X	X			N	<i>"</i>

*Customer  
WACM2  
WACM3  
WACM4  
WACM5*

WACM6	+	✓	+			N	Concern over uneconomic signal + impact on T-4 plants
WACM7	+	✓	+			N	batter for security, but T-4 assets still out of business
WACM8	✓	✓	✓			Y	see 264 answer
WACM9	✓	✓	✓			Y	"
WACM10	✓	✓	✓			Y	"
WACM11	✓	✓/?	+			✓	"
WACM12	✓	✓/?	+			N	"
WACM13	✓	✓/?	+			N	"
WACM14	✓	✓/?	+			Y	"
WACM15	✓	✓/?	+			N	"
WACM16	✓	✓/?	+			Y	"

ANS 8

NSD

ADP

3050

lectures

2/2/83

elder

3/13/83

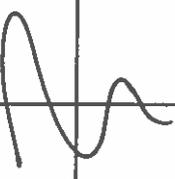
WACM

WACM

WACM

WACM

WACM

WACM17	✓	✓/?	x		✓	"
WACM18	✓	✓/?	x		✓	11




**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal CMP 265-**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member {insert name} <i>Wisa</i>						
Original							
WACM1							
WACM2							
WACM3							
WACM4							
WACM5							
WACM6							

*Handwritten notes in the table cells:*

- WACM3: *Nothing is better than original art is unduly discriminatory by pricing or class of plants. It has field in the CR.*
- WACM4: *nothing to do with charging and is just to do with playing field in the CR.*
- WACM5: *nothing to do with charging and is just to do with playing field in the CR.*





**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline) *list CMP 265-***

Workgroup Member	BEST Option?	Rationale
Workgroup member {insert name}		

*No idea as we have done analysis  
 we should test for 10 best*

**CMP269:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	<b>Workgroup member {INSERT NAME}</b>					
Original						<i>Libi - Not voting - never discussed it</i>
WACM1						<i>+ drafting is not finished</i>
WACM2						
WACM3						
WACM4						
WACM5						



WACM17								
WACM18								

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
<b>Workgroup member {INSERT NAME}</b>						
Original						
WACM1						
WACM2						



WACM14									
WACM15									
WACM16									
WACM17									
WACM18									

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

<b>Workgroup Member</b>	<b>BEST Option?</b>	<b>Rationale</b>
<b>Workgroup member {insert name}</b>		

<b>Charging CUSC Objectives</b>	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

CMP264:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	<b>Workgroup member MATTHEW TUCKER - WELSH POWER GROUP LIMITED</b>						
Original	No	No	No	No	No	No	Proposal introduces arbitrary distortion between new and existing DG. No justification for difference in treatment and no impact on escalating demand residual charge.
WACM1	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed.
WACM2	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no

							justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM3	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM4	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM5	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed

WACM6	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM7	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM8	Yes	No	Yes	No	No	Yes	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. However the proposal addresses the continuing escalation in demand residual which will eventually lead to distortions in the CUSC objective (a).  On balance it is felt that the WACM would better meet the CUSC objectives
WACM9	Yes	No	Yes	No	No	Yes	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment.

							<p>However the proposal addresses the continuing escalation in demand residual which will eventually lead to distortions in the CUSC objective (a).</p> <p>On balance it is felt that the WACM would better meet the CUSC objectives</p>
WACM10	Yes	No	Yes	No	No	Yes	<p>Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment.</p> <p>However the proposal addresses the continuing escalation in demand residual which will eventually lead to distortions in the CUSC objective (a).</p> <p>On balance it is felt that the WACM would better meet the CUSC objectives</p>
WACM11	Yes	No	Yes	No	No	Yes	<p>Proposal addresses the driver of the increase in demand residual charge which left unchecked will lead to distortions in CUSC objective (a)</p> <p>Whilst the proposal introduces new complexity and the impact on consumers needs to be evaluated on balance it is felt that the WACM would better meet the CUSC objectives</p>
WACM12	No	No	No	No	No	No	<p>The proposal introduces a new distortion between new and existing/contracted DG. There is no</p>

							justification under the CUSC for this approach.
WACM13	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM14	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM15	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM16	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM17	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM18	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.

WACM19	No	No	No	No	No	No	Proposal introduces arbitrary distortion between new and existing DG. No justification for difference in treatment and no impact on escalating demand residual charge.
WACM20	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM21	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM22	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM23	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.

## Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)	Rationale
	Workgroup member MATTHEW TUCKER - WELSH POWER GROUP LIMITED						
Original	N/A	N/A	N/A	N/A	N/A	N/A	
WACM1	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice demand residual and no analysis of the impact of the proposal on consumers has been performed.
WACM2	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No

							empirical support has been provided for the choice demand residual and no analysis of the impact of the proposal on consumers has been performed.
WACM3	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice demand residual and no analysis of the impact of the proposal on consumers has been performed.
WACM4	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice demand residual and no analysis of the impact of the proposal on consumers has been performed.
WACM5	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice demand residual and no analysis of the impact of the proposal on consumers has been performed.

WACM6	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM7	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM8	Yes	No	Yes	Yes	Yes	Yes	The proposal treats all DG the same irrespective of commissioning date and therefore better meets CU objective (a). Administration will also be easier than the original as no list of excluded plant is required.
WACM9	Yes	No	Yes	Yes	Yes	Yes	The proposal treats all DG the same irrespective of commissioning date and therefore better meets CU objective (a). Administration will also be easier than the original as no list of excluded plant is required
WACM10	Yes	No	Yes	Yes	Yes	Yes	The proposal treats all DG the same irrespective of commissioning date and therefore better meets CU

							objective (a). Administration will also be easier than the original as no list of excluded plant is required
WACM11	Yes	No	Yes	Yes	Yes	Yes	The proposal treats all DG the same irrespective of commissioning date and therefore better meets CUSC objective (a). Administration will also be easier than the original as no list of excluded plant is required
WACM12	No	No	NO	No	No	NO	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM13	No	No	NO	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM14	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM15	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.

WACM16	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM17	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM18	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM19	Yes	No	Yes	Yes	No	Yes	The proposal is marginally better than the original as it caps the escalation of the residual and reduces tel distortion between new and existing DG
WACM20	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach
WACM21	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach

WACM22	No	No	No	No	No	NO	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach
WACM23	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
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<b>Workgroup member {Insert name}</b>	WACM10	Halts escalation of demand residual which would otherwise eventually lead to distortions in competition. Treats all DG the same and simplifies administration over the original proposal. Avoids creating winners and losers amongst DG as a result of the proposal.
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Applicable CUSC Objectives

Charging CUSC Objectives	
(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 license 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. These are defined within the National Grid Electricity Transmission plc. License under Standard Condition C10, paragraph 1
(e)	Promoting efficiency in the implementation and administration of the system charging methodology

**CMP265:**

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e?)	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}						
Original	No	No	No	No	No	No	Proposal introduces arbitrary distortion between CM and non-CM DG. No justification for difference in treatment and no impact on escalating demand residual charge for non CM DG.
WACM1	No	No	No	No	NO	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed.
WACM2	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no

							justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed.
WACM3	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed.
WACM4	No	No	No	No	No	NO	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed.
WACM5	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed.

WACM6	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed.
WACM7	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed.
WACM8	Yes	No	Yes	No	No	Yes	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. However the proposal addresses the continuing escalation in demand residual which will eventually lead to distortions in the CUSC objective (a).  On balance it is felt that the WACM would better meet the CUSC objectives
WACM9	Yes	No	Yes	No	No	Yes	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment.

							<p>However the proposal addresses the continuing escalation in demand residual which will eventually lead to distortions in the CUSC objective (a).</p> <p>On balance it is felt that the WACM would better meet the CUSC objectives</p>
WACM10	Yes	No	Yes	No	No	Yes	<p>Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment.</p> <p>However the proposal addresses the continuing escalation in demand residual which will eventually lead to distortions in the CUSC objective (a).</p> <p>On balance it is felt that the WACM would better meet the CUSC objectives</p>
WACM11	Yes	No	Yes	No	No	Yes	<p>Proposal addresses the driver of the increase in demand residual charge which left unchecked will lead to distortions in CUSC objective (a)</p> <p>Whilst the proposal introduces new complexity and the impact on consumers needs to be evaluated on balance it is felt that the WACM would better meet the CUSC objectives</p>
WACM12	No	No	No	No	No	No	<p>The proposal introduces a new distortion between new and existing/contracted DG. There is no</p>

							justification under the CUSC for this approach.
WACM13	No	No	No	No	NO	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM14	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM15	No	No	No	No	No	NO	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM16	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM17	No	No	No	NO	NO	NO	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM18	No	No	No	NO	NO	NO	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO	Overall (Y/N)	Rationale				
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	(a)	(b)?	(c)?	(d)?	(e)?		
	Workgroup member {Insert name}						
Original	N/a	N/A	N/A	N/A	N/A		
WACM1	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM2	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM3	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice demand residual and no analysis of the impact of the proposal on consumers has been performed

							proposal on consumers has been performed
WACM4	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM5	No	No	No	No	No	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM6	No	No	No	No	No	NO	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No empirical support has been provided for the choice demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM7	No	No	No	No	NO	No	Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. No

							empirical support has been provided for the choice of demand residual and no analysis of the impact of the proposal on consumers has been performed
WACM8	Yes	No	Yes	No	Yes	Yes	<p>Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. However, the proposal addresses the continuing escalation in demand residual which will eventually lead to distortions in the CUSC objective (a).</p> <p>On balance it is felt that the WACM would better meet the CUSC objectives</p>
WACM9	Yes	No	Yes	No	Yes	Yes	<p>Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. However, the proposal addresses the continuing escalation in demand residual which will eventually lead to distortions in the CUSC objective (a).</p> <p>On balance it is felt that the WACM would better meet the CUSC objectives</p>
WACM10	Yes	No	Yes	No	Yes	Yes	<p>Proposal introduces new distortion between directly connected DG and 'behind the meter'. There is no justification for this difference in treatment. However,</p>

							<p>the proposal addresses the continuing escalation in demand residual which will eventually lead to distortions in the CUSC objective (a).</p> <p>On balance it is felt that the WACM would better meet the CUSC objectives</p>
WACM11	Yes	No	Yes	No	Yes	Yes	<p>Proposal addresses the driver of the increase in demand residual charge which left unchecked will lead to distortions in CUSC objective (a)</p> <p>Whilst the proposal introduces new complexity and the impact on consumers needs to be evaluated on balance it is felt that the WACM would better meet the CUSC objectives</p>
WACM12	No	No	No	No	No	NO	<p>The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.</p>
WACM13	No	No	No	No	No	No	<p>The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.</p>
WACM14	No	NO	No	NO	NO	NO	<p>The proposal introduces a new distortion between new and existing/contracted DG. There is no</p>

							justification under the CUSC for this approach.
WACM15	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM16	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM17	No	No	No	No	No	NO	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.
WACM18	No	No	No	No	No	No	The proposal introduces a new distortion between new and existing/contracted DG. There is no justification under the CUSC for this approach.

### **Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

<b>Workgroup Member</b>	<b>BEST Option?</b>	<b>Rationale</b>
<b>Workgroup member MATTHEW TUCKER- WELSH POWEWR GROUP LIMITED</b>	WACM10	Halts escalation of demand residual which would otherwise eventually lead to distortions in competition. Treats all DG the same and simplifies administration over the original proposal. Avoids creating winners and losers amongst DG as a result of the proposal.

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

## Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original	No	No	No	No	No	
WACM1	No	No	No	NO	No	
WACM2	No	No	No	No	No	
WACM3	No	No	No	No	No	
WACM4	No	No	No	No	No	
WACM5	No	No	No	No	No	
WACM6	No	No	No	No	No	
WACM7	No	No	No	No	NO	

WACM8	Yes	Yes	Yes	Yes	Yes	
WACM9	Yes	Yes	Yes	Yes	Yes	
WACM10	Yes	Yes	Yes	Yes	Yes	
WACM11	Yes	Yes	Yes	Yes	Yes	
WACM12	No	No	No	No	No	
WACM13	No	No	No	No	No	
WACM14	No	No	No	No	No	
WACM15	No	No	No	No	No	
WACM16	No	No	No	No	No	
WACM17	No	No	No	No	No	
WACM18	No	No	No	No	No	
WACM19	No	No	No	No	No	
WACM20	No	No	No	No	No	
WACM21	No	No	No	No	No	
WACM22	No	No	No	No	No	

WACM23	No	No	No	No	No	
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**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original						
WACM1	No	No	No	No	No	
WACM2	No	No	No	No	No	
WACM3	No	No	No	No	No	
WACM4	No	No	No	No	No	
WACM5	No	No	No	No	No	

WACM6	No	No	No	No	No	
WACM7	No	No	No	No	No	
WACM8	Yes	Yes	Yes	Yes	Yes	
WACM9	Yes	Yes	Yes	Yes	Yes	
WACM10	Yes	Yes	Yes	Yes	Yes	
WACM11	Yes	Yes	Yes	Yes	Yes	
WACM12	No	No	No	No	No	
WACM13	No	No	No	No	No	
WACM14	No	No	No	No	No	
WACM15	No	No	No	No	No	
WACM16	No	No	No	No	No	
WACM17	No	No	No	No	No	
WACM18	Yes	Yes	Yes	Yes	Yes	
WACM19	No	No	No	No	No	
WACM20	No	No	No	No	No	

WACM21	No	No	No	No	No	
WACM22	No	No	No	No	No	
WACM23	No	No	No	No	No	

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM 10	

Applicable CUSC Objectives

<b>Standard CUSC Objectives</b>	
(a)	The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
(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
(d)	Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

CMP269:

**Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives against the CUSC baseline**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original	No	No	No	No	No	
WACM1	No	No	No	No	No	
WACM2	No	No	No	No	No	
WACM3	No	No	No	No	No	
WACM4	No	No	No	No	No	
WACM5	No	No	No	No	No	
WACM6	No	No	No	No	No	
WACM7	No	No	No	No	No	

WACM8	Yes	Yes	Yes	Yes	Yes	
WACM9	Yes	Yes	Yes	Yes	Yes	
WACM10	Yes	Yes	Yes	Yes	Yes	
WACM11	Yes	Yes	Yes	Yes	Yes	
WACM12	No	No	No	No	No	
WACM13	No	No	No	No	No	
WACM14	No	No	No	No	No	
WACM15	No	No	No	No	No	
WACM16	No	No	No	No	No	
WACM17	No	No	No	No	No	
WACM18	No	No	No	No	No	

**Vote 2: Whether each proposal better facilitates the Applicable CUSC Objectives against the Original Proposal**

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	Rationale
	Workgroup member {INSERT NAME}					
Original						
WACM1	No	No	No	No	No	
WACM2	No	No	No	No	No	
WACM3	No	No	No	No	No	
WACM4	No	No	No	No	No	
WACM5	No	No	No	No	No	
WACM6	No	No	No	No	No	
WACM7	No	No	No	No	No	
WACM8	Yes	Yes	Yes	Yes	Yes	
WACM9	Yes	Yes	Yes	Yes	Yes	
WACM10	Yes	Yes	Yes	Yes	Yes	
WACM11	Yes	Yes	Yes	Yes	Yes	

WACM12	No	No	No	No	No	
WACM13	No	No	No	No	No	
WACM14	No	No	No	No	No	
WACM15	No	No	No	No	No	
WACM16	No	No	No	No	No	
WACM17	No	No	No	No	No	
WACM18	No	No	No	No	No	

**Vote 3: Which option BEST facilitates achievement of the Applicable CUSC Objectives? (Including CUSC baseline)**

Workgroup Member	BEST Option?	Rationale
Workgroup member {Insert name}	WACM10	