

CUSC Code Administrator Consultation Response Proforma**CMP350 'Changes to support the BSUoS Covid Support Scheme'**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **5pm** on **4 August 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

If you have any queries on the content of this consultation, please contact Paul Mullen paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
Respondent name:	Cam Witten
Company name:	Solar Trade Association
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For reference the applicable CUSC objectives are:

- a. *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- b. *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- c. *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 *; and*
- e. *Promoting efficiency in the implementation and administration of the use of system charging methodology.*

**Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

Please express your views in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions		
1	Do you believe that the CMP350 Original solution, WACM1, WACM2, WACM3, WACM4, WACM5, WACM6 or WACM7 better facilitates the Applicable CUSC Objectives?	<p>We feel that the current BSUoS support scheme best facilitates the applicable CUSC objectives.</p> <p><u>Objective (a):</u> The solution proposed under CMP350 does not adequately account for the impact on current BSUoS participants who are not transmission connected or suppliers, i.e. embedded generators.</p> <p><u>Objective (b):</u> We would argue that this modification would result in a disproportional negative impact to embedded generators. As is noted in the consultation, this modification could have a material impact on income for embedded generators due to reduced embedded benefits payments.</p> <p><u>Objective (c):</u> We acknowledge that there is a material operational and financial impact from the reduced demand resulting from the Government enforced lockdown period.</p> <p>However, in light of the fact that it has been less than a month since the authority reviewed and agreed an approach to address additional BSUoS costs, and considering demand has continued to climb over this period, it is hard to see the justification for further revising the COVID support scheme in a way that disproportionately impacts embedded generation. We do not feel that delaying and socialising costs across future participants under a new charging regime is justified or fair.</p> <p>Further, we would underscore the concerns of some workgroup members that this proposal is distortionary as it will affect a significant number of non-Covid BSUoS prices and exacerbate the cost deferral issues associated with the current Covid BSUoS Support Scheme. The £5/MWh cap would likely defer more BSUoS costs into the next financial year, potentially including BSUoS costs which are not related to Covid-19.</p> <p>Again, for these reasons the current BSUoS support scheme is our preferred approach. That said, of the solutions presented in the consultation, we feel that WACM3 would best facilitate the relevant CUSC objectives. We feel that this solution balances the impacts of introducing a £100m limit and a longer</p>

		scheme duration with the potential distortionary impacts of deferring additional BSUoS costs by retaining the current cap level of £15/MWh.
2	Do you support the proposed implementation approach?	Click or tap here to enter text.
3	Do you have any other comments?	Click or tap here to enter text.