

CUSC Workgroup Consultation Response Proforma

CMP317:

Identification and exclusion of Assets Required for Connection when setting Generator Transmission Network Use of System (TNUoS) charges

and:

CMP327:

Removing the Generator Residual from TNUoS Charges (TCR)

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 by **5pm** on **12 March 2020** to cusc.team@nationalgrideso.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Paul Mullen at paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent:	Dan Thomas dan.thomas@banksgroup.co.uk and Chris Granby Chris.granby@banksgroup.co.uk
Company Name:	Banks Renewables Limited. Banks Renewables (Kype Muir wind farm) Limited, Banks Renewables (Middle Muir wind farm) Limited
Please express your views regarding the Workgroup Consultation, including rationale. (Please include any issues, suggestions or queries)	Thank you for the consultation. As a renewables developer, owner and operator we are really keen to play our part in delivering net zero. We remain concerned that the ongoing uncertainty re grid charging continues to increase investment risk. We need a stable investment environment where UK developers can take advantage of our renewable resources and compete fairly with Europe. Please see our specific comments below.

Standard Workgroup Consultation questions

Q	Question	Response
1	Do you believe that CMP317/CMP327 Original Proposals better facilitates the Applicable CUSC Objectives?	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,

		<p><i>distribution and purchase of electricity;</i></p> <p>b) <i>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);</i></p> <p>c) <i>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;</i></p> <p>d) <i>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</i></p> <p>e) <i>Promoting efficiency in the implementation and administration of the CUSC arrangements.</i></p> <p><i>*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).</i></p> <p><i>No, please see our additional comments below.</i></p>
2	Do you support the proposed implementation approach?	<i>We understand the instruction is to implement these changes for 2021/22. In our view the setting of the TGR to £0 should be implemented at the same time as changes required to ensure we remain competitive with Europe.</i>
3	Do you have any other comments?	
4	Do you wish to raise a Workgroup Consultation Alternative Request for the	No

	Workgroup to consider?	
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Specific CMP317/327 questions

Q	Question	Response
5	<p><u>Definition of physical assets required for connection to the system</u></p> <p>a) Do you agree with the three options identified in Section 4, Paragraphs 2.1-2.4? If so, which do you prefer, and why?</p> <p>b) Is there another option you think should be considered, and why? Please provide evidence if possible.</p>	<p><i>Yes, these seem the logical options. Of the options we prefer 'All local circuits and local substations except for pre-existing assets and shared assets'. This looks similar to us to Generator only spur. Both seem to be very clear on excluding shared use assets.</i></p> <p><i>For connection charges the ESO defines connection assets as those that 'can't' be shared. This often leads to circuits to wind farms being shared assets ready to be used later. Should this definition be considered as it is already used?</i></p>
6	<p><u>Amount targeted (G average)</u></p> <p>a) Do you agree with the four options highlighted in section 4, paragraph 3 for where in the range set out by the Limiting Regulation should be targeted? If so, which do you prefer and why?</p> <p>b) Is there another option you think should be considered, and why? Please provide evidence if possible.</p>	<p><i>Yes, these seem the logical options. Competition on a level playing field with Europe is increasingly important as more interconnectors are built and the drive to net zero accelerates. In order to achieve this we should target €0/MWh or €0.5/MWh in our view anything else puts UK generation at a competitive disadvantage.</i></p>
7	<p><u>Error Margin</u></p> <p>a) Do you agree with the two options highlighted in section 4, paragraph 4 in regards to the inclusion of an error margin?</p> <p>b) Is there another way to calculate the methodology for an Error margin? Please provide evidence if possible.</p>	<p><i>If the G average target is set as per our preference above there should be no need for an error margin to achieve the required compliance. If the target is set higher or there is no target then an error margin may be required.</i></p>

8	<p><u>Implementation</u></p> <p>The workgroup has identified a phased implementation approach may be preferable. Do you agree with this position or not, and if so, why? Please provide evidence if possible.</p>	No comment
9	<p><u>Modules</u></p> <p>The workgroup have identified a number of permutations in Section 4, Paragraph 8 that could work as possible alternative solutions.</p> <p>a) Do you think any of the modular combinations are incompatible?</p> <p>b) Is there an additional module combination that you think should be considered? If so, please provide justification.</p>	<p>No</p> <p><i>Modules vi, viii and ix could be run with 'Generator only spur' ?</i></p>
10	<p>In section 4 paragraph 2.2.6 and 2.5.3, the workgroup has identified its proposed approaches to island links. Do you agree or disagree with any of these suggested approaches? Please provide justification.</p>	<i>We agree with the work group approach that any shared asset (island, generation/generation or generation/demand) should not be excluded from the calculation. These are not specific connection assets.</i>
11	<p>In section 4 paragraph 6, the workgroup has identified its consideration of the Reference Node.</p> <p>a) Do you have any evidence that would support solutions which include the Reference Node?</p> <p>b) Do you have any views on the Workgroup progressing this work alongside the Access and Forward Looking Charges</p>	<i>No comment. We need to understand better how this affects charging.</i>

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