

CUSC Workgroup Consultation Response Proforma**CMP316: TNUoS Arrangements for Co-located Generation Sites**

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 28 February 2022**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact Jennifer.groome@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
Respondent name:	Garth Graham
Company name:	SSE Generation
Email address:	Garth.graham@sse.com
Phone number:	01738 456000

I wish my response to be:

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel, the Workgroup or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

For reference the applicable CUSC (charging) 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; and*
- e. *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**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 regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that the CMP316 Original Proposal better facilitates the Applicable Objectives?	<div> <input type="checkbox"/> Yes, it better facilitates objectives: <div> <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E </div> </div> <div> <input type="checkbox"/> No, it has a negative effect on objectives: <div> <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E </div> </div> <p>Noting that CMP316 relates to within a site situation (and not between sites) then there is merit in the methodology for calculating use of system charges being updated to reflect the changing situation where co-location can occur in a single site.</p> <p>This ensures that a more cost reflective charge (for TNUoS) is applied as well as allowing market participants, in a competitive market, to better respond to the price signal.</p> <p>As such CMP316, as currently envisaged, would appear to better meet the applicable objectives (a), (b) (c) and (d) whilst being neutral in terms of (e).</p>
2	Do you support the proposed implementation approach?	<div> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </div> <p>As currently outlined we support the proposed implementation approach.</p>
3	Do you have any other comments?	Nothing further at this time.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<div> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </div> <p>Click or tap here to enter text.</p>

Specific Workgroup Consultation questions

5	<p>Do you think it is appropriate to publish on the TEC register the MFSSTEC for each technology type? Please give your justification.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Transparency of this information ensures a proper function of the market.</p> <p>As has been noted in various reports produced recently by both BEIS and the Authority, the presumption, in respect of information in the electricity sector, is that information should be published unless a compelling reason <u>not</u> to publish has been provided.</p> <p>No such compelling case, for <u>not</u> publishing, has been provided in the case of MFSSTEC and therefore in accordance with the settled will of both BEIS and GEMA this information should be published.</p> <p>Furthermore, as the recent example of the ESO's own error with recording the TEC used by one party when calculating the TNUoS tariffs for 2021/22 the consequences of such errors with TEC numbers can be significant to market participants.</p> <p>Greater visibility of the MFSSTEC information will allow stakeholders to alert the ESO if future errors occur; as well as allowing market participants to have visibility of this information.</p>
6	<p>Which of the solutions to source the installed capacity is your preference and why? As set out in the Connection Agreement (Original) or the Declaration route (potential alternative).</p>	<p><input type="checkbox"/> As set out in the Connection Agreement (Original) <input checked="" type="checkbox"/> Declaration route (potential alternative) <input type="checkbox"/> Other (please describe)</p> <p>Given that the situation over time may vary at a site; when compared with what was set out in the Connection Agreement possibly many years before; then as noted in the consultation document, an approach based on a declaration and re-declaration process, in line with the ESO's price control review, would have merit in being examined further by the Workgroup.</p>