

**Code Administrator Consultation Response Proforma****CMP315: TNUoS Review of the expansion constant and the elements of the transmission system charged for and****CMP375: Enduring Expansion Constant & Expansion Factor Review**

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](mailto:cusc.team@nationalgrideso.com) by **5pm on 15 December 2023**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Andrew Hemus [Andrew.Hemus@nationalgrideso.com](mailto:Andrew.Hemus@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

Respondent details	Please enter your details	
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<b>Which best describes your organisation?</b>	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

**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 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:**

- 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;*
- 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 system charging methodology.

**\*\*The Electricity Regulation referred to in objective (d) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.**

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

Standard Code Administrator Consultation questions		
1	Please provide your assessment for the proposed CMP315 solution against the Applicable Objectives?	Mark the Objectives which you believe the proposed solution better facilitates:
		Original <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E
		The solution betters none of the objectives and when discussing objectives A and B the solution when compared to the baseline is actually negative.
		<p>The original solution is an attempt to increase cost reflectivity, but tries to achieve this by throwing as many existing assets as possible into the current baseline, which doesn't always mean increased cost reflectivity. It also changes the intent of the TNUoS charging methodology from the "incremental cost of investment" to replacement cost and therefore it goes outside the scope of the defect, and attempts to also change other parts of the methodology. Therefore, there can only be one response to the question over whether this proposal is better than the baseline and that is no. The Workgroup process has probably underplayed this fundamental point.</p> <p>Including Substation costs in an attempt to be more cost reflective, can actually achieve the opposite impact depending on which side of the substation you may locate, especially for demand. It would be better to look at a separate charge as opposed to trying to pry substation costs into the existing Expansion Constants/Factors, or consider whether those costs are Operational, and an economic and efficient choice made</p>

		by the TO's. Trying to turn substation costs into a distance related charge simply does not work.				
2	Please provide your assessment for the proposed CMP375 solutions against the Applicable Objectives?	<p>Mark the Objectives which you believe the proposed solutions better facilitates:</p> <table border="1"> <tr> <td>Original</td><td><input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D <input type="checkbox"/>E</td></tr> <tr> <td>WACM2</td><td><input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D <input type="checkbox"/>E</td></tr> </table> <p>The two solutions for <b>CMP375</b> are better than the current baseline and recognise that short term blips in costs due to external factors which may themselves be short term should not affect and have as much impact on a long term cost reflective signal as they would under the baseline. Whenever the EC or EF's increase it does further highlight the growing disparity in charges, especially as expensive reinforcement will be required in the South</p>	Original	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E	WACM2	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E
Original	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E					
WACM2	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E					
3	Do you have a preferred proposed solution?	<p> <input type="checkbox"/>CMP315 Original  <input type="checkbox"/> CMP375 Original  <input checked="" type="checkbox"/>WACM2  <input type="checkbox"/>Baseline  <input type="checkbox"/>No preference         </p> <p>CMP375 and WACM2 both have their merits and are both better than the baseline whereas CMP315 is negative when compared to the baseline. WACM2 does help to future proof the Expansion Constant and Factors as we start to use more Non Build Options</p>				
4	Do you support the proposed implementation approach?	<p> <input checked="" type="checkbox"/>Yes  <input type="checkbox"/>No         </p> <p>The Expansion Constant and Factors due to their nature, exaggerate and exacerbate current parts of the methodology which could be improved. If seeking to implement in April 25 then strives should be made to improve the security factor, reference node under similar timescales.</p>				
5	Do you have any other comments?	<p>The costs of 132kV OHL and cable have vastly increased, which increases the cost of projects located on the periphery of the System where minimising the visual impact may heavily impact circuit design decisions, which arguably are more for the benefit of the end consumer, so potentially could be socialised. A number of these circuits if they were to be expanded would more than likely turn into 275kV or 400kV OHL so we are uncertain whether the costs are actually cost reflective or not. It is disappointing not to see the impact on Local Circuit analysis published, especially considering the rises in</p>				

	<p>132kV. It does raise the question whether there is the need for a further modification which fixes the costs of radial local circuits at a point in time close to when built similar to the HVDC circuits, or a point in time when a specific Expansion Factor was produced.</p> <p>It has been a consistent theme throughout this modification that the whole process lacks significant transparency and there is a black box nature to the calcs. This makes open governance very difficult as to create alternatives or the modification in the first place, data and intimate knowledge of the existing processes and calculations are required.</p>
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