

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 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 or cusc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Nick Sillito	
Company name:	Peak Gen	
Email address:	nsillito@peakgen.com	
Phone number:	+44 7491 434 518	
Which best describes your organisation?	<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?	<div>Mark the Objectives which you believe the proposed solution better facilitates:</div> <div>Original <input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input checked="" type="checkbox"/>C <input type="checkbox"/>D <input checked="" type="checkbox"/>E</div> <div>Click or tap here to enter text.</div>
2	Please provide your assessment for the proposed CMP375 solutions against the Applicable Objectives?	<div>Mark the Objectives which you believe the proposed solutions better facilitates:</div> <div>Original <input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input checked="" type="checkbox"/>C <input type="checkbox"/>D <input checked="" type="checkbox"/>E</div> <div>WACM2 <input checked="" type="checkbox"/>A <input type="checkbox"/>B <input checked="" type="checkbox"/>C <input type="checkbox"/>D <input checked="" type="checkbox"/>E</div> <div>As WACM2 uses a basket of planned investments rather than actual investments, it does not meet objective b's requirement that charges reflect costs incurred by the TOs</div> <div>Whilst CMP315 and CMP 375 both significantly improve on baseline against the indicated objectives, WACM2 only marginally improves on the indicated objectives.</div>
3	Do you have a preferred proposed solution?	<div> <input checked="" type="checkbox"/>CMP315 Original <input type="checkbox"/>CMP375 Original <input type="checkbox"/>WACM2 <input type="checkbox"/>Baseline <input type="checkbox"/>No preference </div> <div>CMP 315 and CMP 375 are significantly better than WACM2 or baseline</div>
4	Do you support the proposed	<div> <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No </div>

	implementation approach?	
		Click or tap here to enter text.
5	Do you have any other comments?	<p>WACM2 results in charges based on costs up to 30 years old. These are significantly different to current transmission build costs and therefore result in incorrect pricing signals going to demand and generation.</p> <p>The baseline is an interim solution and simply indexes historic data without adding new data. It has no mechanism to prevent the calculated charges diverging from the costs the Transmission Owners are incurring. Whilst it was acceptable as an interim solution it must be replaced.</p>