

Code Administrator Consultation Response Proforma**CMP413: Rolling 10-year wider TNUoS generation tariffs**

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 18 March 2024**. 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 cusc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Jacqueline Wilkie	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input 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 checked="" 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** (this will be shared with industry and the Panel for further consideration)

☐ **Confidential** (this will be disclosed to the Authority in full but, unless specified, will not be shared with the Panel or the industry for further consideration)

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 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 solution(s) against the Applicable Objectives?	Mark the Objectives which you believe the proposed solution(s) better facilitates:
		Original <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E
		WACM1 <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E
		<p>We are against the proposed Solution and WACM1 for the following reasons:</p> <ul style="list-style-type: none"> • The calculation methodology is complex leading to difficulties in users applying this to assist in investment analysis. • The calculation is based on a 10 year projection. However, the current 10 year projection has flaws in its approach and there are concerns on the inaccuracy of costs and assumptions. Basing a future tariff grounded on an inaccurate initial projection would not be advisable. • Any 10 year projection is likely to have caveats and therefore would be an unlikely basis for an investment case. There are also questions around locking in a tariff given the pace and change that is seen in the energy businesses today. • Tariffs based on inaccurate forecasts are unlikely to be cost-reflective, particularly given the large-scale infrastructure build-out in the next 10-15 years. • The TOs are not bound to provide data beyond what is currently requested through the STC (5

		<p>years). It would require the passing of a new STC mod to alter this – however, we would oppose this request for data (a) due to the possibility of data being commercially sensitive (b) there are risks outwith our control that impact on any data that might be provided (c) large additional resource implication for the TOs.</p>
2	Do you have a preferred proposed solution?	<p> <input type="checkbox"/>Original <input type="checkbox"/>WACM1 <input checked="" type="checkbox"/>Baseline <input type="checkbox"/>No preference </p> <p> We do not believe that the proposal or WACM provides an effective solution to the issue of providing generation tariffs over a rolling 10-year duration due to: the calculations being based on an inaccurate 10 year projection; the difficulties in obtaining accurate data to improve the projection and the complexity of the methodology. We are against any requests for us, as a TO, to provide more information that what is currently requested (5 years) through the STC and note that any data outwith this period, or indeed, outwith a price control period would need to be heavily caveated. There are other Task Force ongoing modifications which are aimed at addressing the variability/predictability of the tariffs. </p>
3	Do you support the proposed implementation approach?	<p> <input type="checkbox"/>Yes <input type="checkbox"/>No </p> <p>N/A</p>
4	Do you have any other comments?	<p>Click or tap here to enter text.</p>