

## Second Code Administrator 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](mailto:cusc.team@nationalgrideso.com) [deborah](#) by **5pm on 24 April 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](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** (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)

*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		
2	Do you believe that the legal text updates to CMP316 WACM1 and updates to Annex 8 now reflect the intent of CMP316 WACM1?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <p>The legal text for CMP316 WACM1 is incredibly complex it is not clear whether it does reflect the intent of CMP316 WACM1 in all situations.</p> <p>Furthermore, we believe that the additional complexity that CMP316 WACM1 introduces will outweigh the proposed benefits to CUSC parties.</p>
2	Do you have any other comments?	<p>The current TNUoS methodology calculates the co located site's TNUoS charge based on the pre-dominant technology, which is not cost- reflective. Therefore, EDF continues to support of the intent of the original proposal CMP316. The CMP316 original proposal will allow for co-located generators to pay a fairer contribution towards TNUoS charges based on the underlying principles of charging based on technology type.</p> <p>We understand that CMP316 WACM1 was raised as it was considered to be more cost-reflective than the original proposal. However, if it is introduced we believe that in many cases it would lead to co-located sites at risk of being charged higher than single type assets.</p>

	<p>Our analysis shows that with the current zone 1 TNUoS tariff, co locating battery and wind would lead to the site's overall TNUoS increasing even though the introduction of battery storage could reduce the strain on the transmission network.</p> <p>We believe that this is counter-intuitive to the UK Government's approach to support co-location of assets, particularly battery storage as the GB system moves from a model of large, centralised generation and transmission, to a smarter, more flexible and more decentralised system.</p> <p>Adding battery storage to a generation asset gains better value from the existing grid connection and saves on cost and time associated with setting up a standalone battery asset. Therefore, the TNUoS tariff should reflect these benefits.</p>
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