

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:	Lauren Jauss
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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:

- 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);*
- 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;*
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency; and*
- 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?	<input type="checkbox"/> Yes, it better facilitates objectives: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E	<input checked="" type="checkbox"/> No, it has a negative effect on objectives: <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D <input checked="" type="checkbox"/> E
<p>We believe that this modification would introduce a new defect by giving some sites the opportunity to significantly reduce their TNUoS charges where site TEC can be shared across different co-located technology types. This means it will become increasingly commercially attractive for some site owners to register TEC that is lower than the sum of a site's installed capacity. This reduction in charges would be significantly less cost reflective of these type of sites' impact on transmission system investment requirements.</p> <p>Additionally, we anticipate that many or even most co-located sites will include batteries as the secondary technology. The current TNUoS arrangements are not well designed for batteries. We are concerned that this proposal will result in an increase in battery capacity liable for TNUoS Charges based on the current Conventional Carbon tariff. The decision on co-location of batteries is complex and interacts with the market revenue stream that may or may not require full import/export access to provide a system service (e.g. FFR).</p> <p>This modification would introduce additional complexity into the charging arrangements including new terms, new text and new equations, reducing code efficiency.</p> <p>We believe the charging arrangements for batteries, including consideration of the appropriate charging arrangements for sites providing ancillary services, and the charging arrangements for co-located generation</p>			

		sites should be reviewed through a TNUoS Review, the TNUoS Taskforce and/or the SQSS Review.
2	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>In particular, this modification will benefit co-located sites in Scotland (with high Year Round Not Shared Tariffs) with wind as the primary technology and batteries as the secondary technology.</p> <p>These types of site can frequently choose to share TEC between co-located technologies because the battery will usually not be generating at the same time as the wind generator. The TNUoS Transport and Tariff Model is designed for standalone technology sites and the tariffs are set to reflect the different expected behaviours of different technology types in the different SQSS backgrounds. This includes a degree of Year Round Sharing (YRS), and Year Round Not Sharing (YRNS), appropriate to each technology type. For those technologies classed as Conventional Carbon such as batteries, both their YRS tariff and their YRNS tariff are scaled down by their ALF (introduced in CMP268) because they are deemed to be able to always share transmission system usage with other technologies by tending to generate in this background when there is spare capacity. This is different to Intermittent and Conventional Low Carbon Generators for which the YRNS proportion of the tariff is fully payable and not scaled down by their ALF. This is because they tend to generate at high output during this background, and do not share the capacity to which this YRNS tariff element relates.</p> <p>In this proposal, where the TEC is “shared” across Intermittent or Low Carbon and Conventional Carbon Generation on site, the proportion of TEC allocated and charged to Intermittent or Low Carbon Generation for the YRNS element could be lower than the installed Intermittent or Low Carbon Generation capacity, representing a significant saving in some cases. This means that effectively some of the TEC used by Intermittent and Low Carbon Generation will be scaled down by the ALF when applying the YRNS tariff which we believe is not correct.</p> <p>We recognise that this proposal attempts to address the defect where a site registers TEC to accommodate multiple co-located technologies but yet is paying a</p>

		TNUoS tariff based on the predominant technology only. However, we do not believe that this current defect is particularly material. We believe the materiality of the new defect could be much greater. As we understand it, there is no reliable data on total current co-located installed capacities, so it is not possible to assess the relative materiality of each defect on existing sites, let alone future developments.
3	Do you have any other comments?	We do not have any further comments
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.

Specific Workgroup Consultation questions

5	Do you think it is appropriate to publish on the TEC register the MFSSTEC for each technology type? Please give your justification.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Although we do not support this modification, if it is implemented it will be important to publish MFSSTEC so that CUSC parties liable for TNUoS are better able to forecast their own charges.
6	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).	<input checked="" type="checkbox"/> As set out in the Connection Agreement (Original) <input type="checkbox"/> Declaration route (potential alternative) <input type="checkbox"/> Other (please describe) We believe that Registered Capacity should already be available to the ESO. It is submitted as part of generator compliance in the Grid Code and the DCODE. The new User Self Certification process also requires this figure. It is a submitted parameter in all connection applications.