

## Workgroup Terms of Reference and Membership

### CMP442: Introducing the Option to Fix Generator TNUoS charges

#### Responsibilities

1. The Workgroup is responsible for assisting the CUSC Modification Panel in the evaluation of CUSC Modification Proposal **CMP442: Introducing the option to fix Generator TNUoS charges** raised by **RWE** at the Modifications Panel meeting on **25 October 2024**. The proposal must be evaluated to consider whether it better facilitates achievement of the Applicable CUSC Objectives.

#### Applicable CUSC (charging) Objectives

- 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 C11 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 and the ISOP business\*;
- 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.

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\* See Electricity System Operator Licence

\*\*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.

### Applicable CUSC (Connection charging) Objectives

- a) means the Use of System Charging Objectives, as if references therein to the Use of System Charging Methodology were to the Connection Charging Methodology and in addition, the objective (where consistent with the other objectives) of facilitating competition in the carrying out of works for connection to the National Electricity Transmission System.

### Applicable CUSC (non-charging) Objectives

- a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence\*;
- b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;
- c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency \*\*; and
- d) Promoting efficiency in the implementation and administration of the CUSC arrangements.

\* See Electricity System Operator Licence

\*\*The Electricity Regulation referred to in objective (c) 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.

2. It should be noted that additional provisions apply where it is proposed to modify the CUSC Modification provisions, and generally reference should be

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made to the Electricity System Operator Licence for the full definition of the term.

### Scope of work

3. The Workgroup must consider the issues raised by the Modification Proposal and consider if the proposal identified better facilitates achievement of the Applicable CUSC Objectives.
4. In addition, the Workgroup shall consider and report on the following specific issues:

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
a) Consider EBR implications	
b) Consider the decision letter of CMP413 and ensure CMP442 sufficiently addresses any concerns raised.	
c) Consider interactions or possible overlap with the TNUoS Cap and Floor CMP444.	
d) Consider if limitations should be placed on at what point in time generators should be able to take the option to fix. I.e. within the year.	
e) Consider how the arrangements can be designed to prevent users from “gaming” the system, given the significant current grid capacity shortage and the steps in connection reform.	
f) Consider the impact on the Adjustment and whether it should also be fixed, at least in the short	

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term or until a limit of users or capacity fixed is reached.	
g) Consider whether local circuit charges could also be fixed.	
h) Consider if it is appropriate to be able to lock in negative charges.	
i) Consider the scenario of what happens to the fix if an additional technology is co-located at a site.	
j) Consider the impact on generators who do not fix their TNUoS across a range of scenarios and any distributional impact on consumers.	
k) Consider interactions with CMP316 regarding co-location (subject to Ofgem modification approval)	
l) Consider possible impacts on the TDR	

5. The Workgroup is responsible for the formulation and evaluation of any Workgroup Alternative CUSC Modifications (WACMs) arising from Group discussions which would, as compared with the Modification Proposal or the current version of the CUSC, better facilitate achieving the Applicable CUSC Objectives in relation to the issue or defect identified.
  
6. The Workgroup should become conversant with the definition of Workgroup Alternative CUSC Modification which appears in Section 11 (Interpretation and Definitions) of the CUSC. The definition entitles the Group and/or an individual member of the Workgroup to put forward a WACM if the member(s) genuinely believes the WACM would better facilitate the achievement of the Applicable CUSC Objectives as compared with the Modification Proposal. The extent of the support for the Modification Proposal

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or any WACM arising from the Workgroup's discussions should be clearly described in the final Workgroup Report to the CUSC Modifications Panel.

7. Workgroup members should be mindful of efficiency and propose the fewest number of WACMs possible.
8. All proposed WACMs should include the Proposer(s)'s details within the final Workgroup report, for the avoidance of doubt this includes WACMs which are proposed by the entire Workgroup or subset of members.
9. There is an obligation on the Workgroup to undertake a period of Consultation in accordance with CUSC 8.20. The Workgroup Consultation period shall be for a period of 15 working days as determined by the Modifications Panel.
10. Following the Consultation period, the Workgroup is required to consider all responses including any WG Consultation Alternative Requests. In undertaking an assessment of any WG Consultation Alternative Request, the Workgroup should consider whether it better facilitates the Applicable CUSC Objectives than the current version of the CUSC.

As appropriate, the Workgroup will be required to undertake any further analysis and update the original Modification Proposal and/or WACMs. All responses including any WG Consultation Alternative Requests shall be included within the final report including a summary of the Workgroup's deliberations and conclusions. The report should make it clear where and why the Workgroup chairperson has exercised their right under the CUSC to progress a WG Consultation Alternative Request or a WACM against the majority views of Workgroup members. It should also be explicitly stated where, under these circumstances, the Workgroup chairperson is employed

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by the same organisation who submitted the WG Consultation Alternative Request.

- The Workgroup is to submit its final Workgroup Report to the Modifications Panel Secretary on **XX Month XXXX** for circulation to Panel Members. The final Workgroup Report conclusions will be presented to the CUSC Modifications Panel meeting on **XX Month XXXX**.

## Membership

- It is recommended that the Workgroup has the following members:

Role	Name	Representing
Chair	Jess Rivalland	NESO
Technical Secretary		
Proposer	Tom Steward	RWE Offshore
Workgroup Member		
Workgroup Member (Alternate)		
Workgroup Member		
Workgroup Member		
Workgroup Member (Alternate)		
Authority Representative		

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NB: A Workgroup must comprise at least 5 members (who may be Panel Members). The roles identified with an asterisk (\*) in the table above contribute toward the required quorum, determined in accordance with paragraph 14 below.

13. The Chairperson of the Workgroup and the Modifications Panel Chairperson must agree a number that will be quorum for each Workgroup meeting. The agreed figure for this modification is that at least 5 Workgroup members must participate in a meeting for quorum to be met.

14. A vote is to take place by all eligible Workgroup members on the Modification Proposal and each WACM. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference). The Workgroup chairperson shall not have a vote, casting or otherwise. There may be up to three rounds of voting, as follows:

**Vote 1:** whether each proposal better facilitates the Applicable CUSC Objectives;

**Vote 2:** where one or more WACMs exist, whether each WACM better facilitates the Applicable CUSC Objectives than the original Modification Proposal;

**Vote 3:** which option is considered to BEST facilitate achievement of the Applicable CUSC Objectives. For the avoidance of doubt, this vote should include the existing CUSC baseline as an option.

The results from the vote and the reasons for such voting shall be recorded in the Workgroup report in as much detail as practicable.

15. It is expected that Workgroup members would only abstain from voting under limited circumstances, for example where a member feels that a

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proposal has been insufficiently developed. Where a member has such concerns, they should raise these with the Workgroup chairperson at the earliest possible opportunity and certainly before the Workgroup vote takes place. Where abstention occurs, the reason should be recorded in the Workgroup report.

16. Workgroup members or their appointed alternate are required to attend a minimum of 50% of the Workgroup meetings to be eligible to participate in the Workgroup vote.
17. The Technical Secretary shall keep an Attendance Record for the Workgroup meetings and circulate the Attendance Record with the Action Notes after each meeting. This will be attached to the final Workgroup report.
18. The Workgroup membership can be amended from time to time by the CUSC Modifications Panel.

### Terms of Reference Version Control

Issue	Date	Summary of Changes / Reasons	Panel Approval Date
1	10/10/2024	Panel approved Terms of Reference ahead of nominations	25/10/2024
2	16/12/2024	Panel approved additional Terms of Reference	31/01/2025