

## Workgroup Vote – Stage 2

### CMP317 and CMP327: Workgroup Vote

**Please note:** To participate in any votes, Workgroup members need to have attended at least 50% of meetings.

#### Stage 2 - Workgroup Vote

2a) Assess the original and WACMs (if there are any) against the CUSC objectives compared to the baseline (the current CUSC).

2b) If WACMs exist, vote on whether each WACM better facilitates the Applicable CUSC Objectives better than the Original Modification Proposal.

2c) Vote on which of the options is best.

#### The Applicable CUSC Objectives (Charging) 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. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 \*; and
- e. 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).

## Workgroup Vote

### Stage 2a – Assessment against objectives

To assess the original and WACMs against the CUSC objectives compared to the baseline (the current CUSC).

You will also be asked to provide a statement to be added to the Workgroup Report alongside your vote to assist the reader in understanding the rationale for your vote.

Y = Yes, N = No, (-) = Neutral

ACO = Applicable CUSC Objective

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Andy Rimmer - ENGIE						
Original	N	-	-	Y	Y	Y
WACM 1	N	-	-	Y	Y	Y
WACM 2	Y	-	-	Y	Y	Y
WACM 3	Y	-	-	Y	Y	Y
WACM 4	Y	-	-	Y	Y	Y
WACM 5	Y	-	-	Y	Y	Y
WACM 6	Y	-	-	Y	Y	Y
WACM 7	N	-	-	Y	Y	Y
WACM 8	N	-	-	Y	Y	Y
WACM 9	Y	-	-	Y	Y	Y
WACM 10	Y	-	-	Y	Y	Y
WACM 11	Y	-	-	Y	Y	Y
WACM 12	Y	-	-	Y	Y	Y
WACM 13	Y	-	-	Y	Y	Y
WACM 14	N	-	-	Y	Y	Y
WACM 15	N	-	-	Y	Y	Y
WACM 16	Y	-	-	Y	Y	Y
WACM 17	Y	-	-	Y	Y	Y
WACM 18	Y	-	-	Y	Y	Y
WACM 19	Y	-	-	Y	Y	Y
WACM 20	Y	-	-	Y	Y	Y
WACM 21	N	-	-	Y	-	Y
WACM 22	N	-	-	Y	-	Y
WACM 23	Y	-	-	Y	-	Y
WACM 24	Y	-	-	Y	-	Y
WACM 25	Y	-	-	Y	-	Y
WACM 26	Y	-	-	Y	-	Y
WACM 27	Y	-	-	Y	-	Y

WACM 28	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 29	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 30	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 31	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 32	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 33	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 34	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 35	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 36	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 37	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 38	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 39	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 40	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 41	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 42	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 43	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 44	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 45	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 46	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 47	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 48	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 49	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 50	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 51	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 52	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 53	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 54	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 55	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 56	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 57	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 58	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 59	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 60	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 61	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 62	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 63	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 64	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 65	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 66	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 67	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 68	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 69	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 70	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 71	<b>N</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 72	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 73	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>
WACM 74	<b>Y</b>	-	-	<b>Y</b>	-	<b>Y</b>

WACM 75	Y	-	-	Y	-	Y
WACM 76	Y	-	-	Y	-	Y
WACM 77	N	-	-	Y	-	Y
WACM 78	N	-	-	Y	-	Y
WACM 79	Y	-	-	Y	-	Y
WACM 80	Y	-	-	Y	-	Y
WACM 81	Y	-	-	Y	-	Y
WACM 82	Y	-	-	Y	-	Y
WACM 83	Y	-	-	Y	-	Y

Voting Statement:

***All of the Original and the WACMs are potentially compliant with Ofgem's direction and so are better than the baseline by meeting objective (d).***

### Stage 2b – WACM Vote (If required)

Where one or more WACMs exist, does each WACM better facilitate the Applicable CUSC Objectives than the Original Modification Proposal?

Workgroup Member (Insert Name)	
WACM	Better than Original Yes/No
WACM 1	<u>Y</u>
WACM 2	<u>Y</u>
WACM 3	<u>Y</u>
WACM 4	<u>Y</u>
WACM 5	<u>Y</u>
WACM 6	<u>Y</u>
WACM 7	<u>Y</u>
WACM 8	<u>Y</u>
WACM 9	<u>Y</u>
WACM 10	<u>Y</u>
WACM 11	<u>Y</u>
WACM 12	<u>Y</u>
WACM 13	<u>Y</u>
WACM 14	<u>Y</u>
WACM 15	<u>Y</u>
WACM 16	<u>Y</u>
WACM 17	<u>Y</u>
WACM 18	<u>Y</u>
WACM 19	<u>Y</u>
WACM 20	<u>Y</u>
WACM 21	<u>Y</u>
WACM 22	<u>Y</u>

WACM 23	<u>Y</u>
WACM 24	<u>Y</u>
WACM 25	<u>Y</u>
WACM 26	<u>Y</u>
WACM 27	<u>Y</u>
WACM 28	<u>Y</u>
WACM 29	<u>Y</u>
WACM 30	<u>Y</u>
WACM 31	<u>Y</u>
WACM 32	<u>Y</u>
WACM 33	<u>Y</u>
WACM 34	<u>Y</u>
WACM 35	<u>Y</u>
WACM 36	<u>Y</u>
WACM 37	<u>Y</u>
WACM 38	<u>Y</u>
WACM 39	<u>Y</u>
WACM 40	<u>Y</u>
WACM 41	<u>Y</u>
WACM 42	<u>Y</u>
WACM 43	<u>Y</u>
WACM 44	<u>Y</u>
WACM 45	<u>Y</u>
WACM 46	<u>Y</u>
WACM 47	<u>Y</u>
WACM 48	<u>Y</u>
WACM 49	<u>Y</u>
WACM 50	<u>Y</u>
WACM 51	<u>Y</u>
WACM 52	<u>Y</u>
WACM 53	<u>Y</u>
WACM 54	<u>Y</u>
WACM 55	<u>Y</u>
WACM 56	<u>Y</u>
WACM 57	<u>Y</u>
WACM 58	<u>Y</u>
WACM 59	<u>Y</u>
WACM 60	<u>Y</u>
WACM 61	<u>Y</u>
WACM 62	<u>Y</u>
WACM 63	<u>Y</u>
WACM 64	<u>Y</u>
WACM 65	<u>Y</u>
WACM 66	<u>Y</u>

WACM 67	<u>Y</u>
WACM 68	<u>Y</u>
WACM 69	<u>Y</u>
WACM 70	<u>Y</u>
WACM 71	<u>Y</u>
WACM 72	<u>Y</u>
WACM 73	<u>Y</u>
WACM 74	<u>Y</u>
WACM 75	<u>Y</u>
WACM 76	<u>Y</u>
WACM 77	<u>Y</u>
WACM 78	<u>Y</u>
WACM 79	<u>Y</u>
WACM 80	<u>Y</u>
WACM 81	<u>Y</u>
WACM 82	<u>Y</u>
WACM 83	<u>Y</u>

### Stage 2c – Workgroup Vote

Which option is the best? (Baseline, Proposer solution (Original Proposal), WACM1 or WACM2)

Workgroup Member	Company	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
Andy Rimmer	ENGIE	WACM 9	(a), (d), (e)  See below for rationale

### Voting Rationale

- The Original is better than the baseline as meets Ofgem's direction, thereby meeting objective (d).

#### *Assets required for connection*

- However, the Original's definition of "assets required for connection" is too wide and so alternatives that use a narrower definition better facilitate objective (a)
- Of these different definitions "Generator-only spurs" is practical (objective e) and compliant (objective d). The other definitions seem to be difficult to implement.

#### *Amount targeted*

- The wider charges define the relative cost of locating generation. The absolute cost produced by the model is arbitrary. Therefore, objectives (a) and (b) are best delivered by a target of G=0 as it is not arbitrary, is compliant with the Limiting Regulation and maximises competition given the charges across Europe. Having no

target within the range is arbitrary and the WACMs which target a value other than zero are better than the original but are less coherent a solution as an option that targets zero.

#### *Error margin*

- An error margin is not required if  $G=0$  is the target as FX rates changes cannot cause any error (objectives (a) and (e))

#### *Phasing*

- If  $G=0$  is the target then there is no need for phasing. However, given the magnitude of the change produced by the original, then phasing is appropriate for options which do not have a target (i.e. they are better than the original) and consistent with precedents (facilitating objective a)

#### *BSC Costs*

- The argument made in the RWE papers is a good one, however, it is not definitive. The response from Ofgem to the workgroup implies that we have an answer to this question and so to meet objective (e) WACMs which do not include these costs are better than WACMs that do include these costs.

#### *Congestion Costs*

- The argument made in the RWE papers is a good one, however, it is not definitive and this ambiguity means it is difficult to form an opinion. In order to minimise complexity and so to meet objective (e) then it seems best not to include these costs. Charging BSUoS to generation should be addressed through the BSUoS taskforce. WACMs which do not include these costs are better than WACMs that do include these costs.

#### *2-Step Ex Ante Adjustment*

- This is only required when BSC Costs and/or Congestion Costs are included. So, for the reason given in the above paragraphs, the best option does not require a two-step adjustment.

#### **Conclusion**

- WACM 9 is the best option.