

CUSC Code Administrator Consultation Response Proforma**CMP353 'Stabilising the Expansion Constant and non-specific Onshore Expansion Factors from 1st April 2021'**

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 **2pm on 19 November 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

If you have any queries on the content of this consultation, please contact Paul Mullen paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
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For reference the applicable CUSC 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. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 *; and*
- Promoting efficiency in the implementation and administration of the use of the system charging methodology.*

**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 in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions		
1	Do you believe that CMP353 Original solution better facilitates the Applicable Objectives?	Yes, we believe CMP353 Original solution better facilitates the Applicable objectives.
2	Do you support the proposed implementation approach?	<p>Yes, in our view, it is critical that the proposed modification is implemented on 1 April 2021, with the start of the new price control period. If not implemented on time, this may result in a significant and unforeseen increase in local TNUoS charges for some generators. This will exacerbate competitive disadvantage of certain types of generators due to wider locational differences in TNUoS charges. Without a more detailed analysis and investigation of the underlying reasons behind the increase in the updated EF data, these higher charges may not represent a cost-reflective methodology and calculation.</p> <p>Taking into account potential implementation of CMP 317/327 and wider increases in other network charges, a potential cost shock may have a severe impact on predominantly renewable generators, and will lead to additional uncertainty for projects in the pipeline.</p>
3	Do you have any other comments?	<p>We agree that while CMP315 explores a similar subject matter, the objective of the modification is different and should be treated separately.</p> <p>We agree with the proposer that it is essential that all outstanding data is collated from the TOs and numbers are validated before any final parameters are confirmed and are transposed into user charges.</p>