

**CUSC Code Administrator Consultation Response Proforma****CMP353 'Stabilising the Expansion Constant and non-specific Onshore Expansion Factors from 1<sup>st</sup> 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](mailto: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](mailto:paul.j.mullen@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

Respondent details	Please enter your details
<b>Respondent name:</b>	Lee Stone
<b>Company name:</b>	E.ON UK PLC
<b>Email address:</b>	Lee.stone@eonenergy.com
<b>Phone number:</b>	07971-474426

**For reference the applicable CUSC objectives 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 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
2	Do you support the proposed implementation approach?	Yes
3	Do you have any other comments?	<p>E.ON support the change and the proposed implementation timeline as we feel it is necessary to stabilise the expansion constants/factors for the April 2021-22 charging year. The modification will result in an improved efficiency required in order to stabilise the locational signal at the start of the RIIO-2 period and prevent a distortive charge on both Transmission demand &amp; generation tariffs.</p> <p>We also feel that change to the charging methodology should also be made for future charging years, as it is evident that EC/EF values based on investment costs has been a factor in the distortion seen in the charging calculations given the very limited number of reinforcement projects delivered to the NETS over the RIIO-1 price control period.</p> <p>Whilst E.ON are supportive of this change we recommend that the any enduring solution developed to address the issue must ensure that NGENSO provide appropriate notification of any changes to the methodology prior to the implementation of the change for the start of a charging year, along with revised notification of forecast charges in order to minimize any potential impact on customer contracts that could already be in place.</p>