

**Code Administrator Consultation Response Proforma****CMP368: Updating Charges for the Physical Assets Required for Connection, Generation Output and Generator charges for the purpose of maintaining compliance with the Limiting Regulation & CMP369: Consequential changes to Section 14 of the CUSC as a result of the updated definitions introduced by CMP368**

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 **5pm on 1 September 2021**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Jennifer Groome [Jennifer.Groome@nationalgrideso.com](mailto:Jennifer.Groome@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

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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 or the industry and may therefore not influence the debate to the same extent as a non-confidential response.*

**CMP368****For reference the Applicable CUSC (non-charging) Objectives are:**

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- 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;*
- 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 (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

**CMP369****For reference the Applicable CUSC (charging) 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 \*; and*
- e. *Promoting efficiency in the implementation and administration 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.**

CMP368 Standard Code Administrator Consultation questions		
1	Do you believe that the CMP368 Original Proposal or WACM1, WACM 2, WACM3, WACM4, WACM5, WACM6, WACM7, WACM8, WACM9, WACM10, WACM11, WACM12, WACM13, WACM14, WACM15, WACM16, WACM17, WACM18, WACM19 better facilitates the Applicable Objectives?	<p>We only support WACM17.</p> <p>We do not agree with any solutions which exclude generation TNUoS charges paid by or to embedded generation (at present large embedded generation). The exclusion of these charges has been justified on the basis of a view that these plant do not inject volumes onto the transmission as they are connected to the distribution system. It is not fully clear what this phrase is meant to cover, but it would appear strange if the limiting regulation was not supposed to apply to transmission charges paid by generators simply because of their connection voltage. As most power stations have imports as well as exports to some extent, our interpretation of this part of the limiting regulation is that only export volumes ("injections") should be considered in the calculation. For large embedded generation, to remove their charges and volumes from the limiting regulation calculation would also be contrary to how this plant is treated for most, if not all, other aspects of the market. For the purposes of settlement, TNUoS charging, Grid Code requirements and applying transmission losses, for instance, these stations are treated as directly connected plant. It seems odd to exclude their volumes for a very narrow interpretation of what is contained in the limiting regulation.</p> <p>We also do not believe that volumes and charges should be treated differently. The aim of the calculation is to ascertain the average charge per MWh for relevant plant, so both should be included, or excluded.</p> <p>Whilst station load charges are indeed transmission charges paid by generators, we believe that the purpose of the limiting regulation is to deal with export charges and volumes as mentioned above. Therefore, we do not support options containing the inclusion of station load charges.</p> <p>We supported a measure of interconnectedness as</p>

		<p>being relevant when considering CMP317/327. This is why we supported options based on only excluding non shared assets. However, it is clear that Ofgem does not agree with this interpretation so we do not believe that it is worth pursuing any options which take this into consideration.</p> <p>We do not believe that there is a need for assets to be “timestamped”. If assets are identified as enabling works in a construction agreement then we do not see how they could be considered as pre-existing or somehow not required for the connection of the relevant plant.</p> <p>This only leaves WACM17. We accept that this anticipates the possibility of TNUoS charges being levied on smaller distributed generators, so may be somewhat anticipatory in this respect. However, this does not seem problematic, as it would only have an effect if the changes to the charging regime are made. Had an option existed with all of WACM17’s properties plus the inclusion of only large distributed generation (as with the current baseline), then we would have supported that too.</p>
2	Do you support the proposed implementation approach?	Yes.
3	Do you have any other comments?	No thank you.

#### CMP369 Standard Code Administrator Consultation questions

1	Do you believe that the CMP369 Original Proposal better facilitates the Applicable Objectives?	Yes it helps implement CMP368.
2	Do you support the proposed implementation approach?	Yes.
3	Do you have any other comments?	No thank you.