

Workgroup Consultation Response – Pro-Forma

CMP308: Removal of BSUoS charges from Generation

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 by **8 May 2019** to cusc.team@nationalgrideso.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its final determination.

These responses will be included in the Final CUSC Modification Report which is submitted to the CUSC Modifications Panel.

Respondent:	<i>Graz Macdonald, graz@greenfrogpower.co.uk</i>
Company Name:	<i>Green Frog Power</i>
<p>Please express your views regarding the Workgroup Consultation, including rationale.</p> <p>(Please include any issues, suggestions or queries)</p>	<p>For reference, the Applicable CUSC Objectives for the Use of System Charging Methodology are:</p> <p>(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;</p> <p>(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);</p> <p>(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;</p> <p>(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</p> <p>(e) Promoting efficiency in the implementation and administration of the CUSC arrangements.</p> <p>*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).</p>

Standard workgroup consultation questions

1	Do you believe that CMP308 Original proposal, better facilitates the Applicable CUSC Objectives?	<i>Yes. In particular against CUSC Objective a, whereby GB generation is not disadvantaged by the interconnector supply (generally) not being liable for BSUoS. It will possible also make the GB charging regime more aligned with the EU internal market rules in terms of distortions and in-merit dispatch.</i>
2	Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	<i>yes</i>
3	Do you have any other comments?	<i>no</i>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<i>If yes, please complete a WG Consultation Alternative Request form, available on National Grid's ESO website¹, and return to the CUSC inbox at cusc.team@nationalgrideso.com</i>

Specific questions for CMP308

5	Do you feel it is more efficient for BSUoS to be handled by customers / suppliers rather than customers / suppliers and generators?	<i>Yes, for the reasons noted in response to Q1.</i>
6	If CMP308 were to be implemented, what would your thoughts be in regard to combined/net risk premia?	<i>I agree with the assessment provided in the consultation regarding reduction of risk premia due to simplification.</i>
7	What do you feel would be a sufficient lead time for the implementation of this modification? Would you support a non-April	<i>From an efficiency perspective, ASAP is preferred. However, suppliers' implementation requirements should be considered, in addition to the implications for the TCR/SCR.</i>

¹<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc>

	(i.e. October) implementation date in any given year? Please provide an explanation for your response	
8	Has the Analysis comprehensively considered consumer/system benefits, or can you identify any area which may need more consideration by the workgroup?	<i>no</i>
9	Are there any thoughts on the impact of CMP308 on the generation mix, be that short or long term?	<i>No.</i>
10	Are there any unintended consequences of CMP308 which have not as yet been considered by the workgroup?	<i>No.</i>
11	Will there be any specific impact on renewable or distributed generation, be that long or short term?	<i>There may be some interim impacts but these shall be minimal in comparison with the scale of forthcoming TCR/SCR changes, and should overall be an improvement in fairness and levelling the playing field.</i>
12	Will there be any significant IT costs to change your systems as a result of CMP308? If so please give detail.	<i>No.</i>