Workgroup Consultation Response Proforma

CMP315: TNUoS Review of the expansion constant and the elements of the transmission system charged for and

CMP375: Enduring Expansion Constant & Expansion Factor Review

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 **5pm** on **17 May 2022**. 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 Paul Mullen Paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com

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| **Respondent details** | **Please enter your details** |
| **Respondent name:** | Click or tap here to enter text. |
| **Company name:** | Click or tap here to enter text. |
| **Email address:** | Click or tap here to enter text. |
| **Phone number:** | Click or tap here to enter text. |

**I wish my response to be:**

|  |  |  |
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| (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.*

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

1. *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;*
2. *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);*
3. *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;*
4. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency \*; and*
5. *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.**

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| **Standard Workgroup Consultation questions** |
| 1 | Do you believe that the CMP315 Original Proposal better facilitates the Applicable Objectives? | Mark the Objectives which you believe each solution better facilitates: |
| Original | [ ] A [ ] B [ ] C [ ] D [ ] E |
| Click or tap here to enter text. |
| 2 | Do you believe that the CMP375 Original Proposal better facilitates the Applicable Objectives? | Mark the Objectives which you believe each solution better facilitates:

|  |  |
| --- | --- |
| Original | [ ] A [ ] B [ ] C [ ] D [ ] E |

Click or tap here to enter text. |
| 3 | Do you support the proposed implementation approach? | [ ] Yes[ ] No |
| Click or tap here to enter text. |
| 4 | Do you have any other comments? | Click or tap here to enter text. |
| 5 | Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?  | [ ] Yes[ ] No |
| Click or tap here to enter text. |
| Click or tap here to enter text. |
| Click or tap here to enter text. |

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| **Specific Workgroup Consultation questions** |
| 6 | Do you agree with the CMP315 and CMP375 Proposers’ conclusions that the Expansion Constant should also include circuit reinforcement, non-circuit works and life extension works in addition to new circuit build. Are there any other reinforcement types that should be included? Please provide justification for your response. | Click or tap here to enter text. |
| 7 | CMP315 and CMP375 have different proportions of each reinforcement type in the basket for the calculation of the Expansion Constant because the Proposers have different interpretations as to what the Expansion Constant should represent. Which one of these interpretations do you agree with or do you have a different approach? Please provide justification for your response. | Click or tap here to enter text. |
| 8  | A Workgroup Member has also suggested an alternative approach to establish the forward-looking marginal cost over a realistic 5–10-year time horizon. Do you agree with this interpretation or would you suggest a different approach? Please provide justification for your response. |  |
| 9 | CMP315 and CMP375 Originals propose using the last 10 years historical data when calculating the Expansion Constant/Expansion Factors. Do you agree with this approach or are there alternative approaches to consider? Please provide justification for your response. | Click or tap here to enter text. |
| 10 | Do you agree with the list of data items, the ESO require from Transmission Owners to calculate the Expansion Constant. Please provide justification for your response. | Click or tap here to enter text. |
| 11 | In their analysis, Lane Clark and Peacock (LCP) have provided an alternative implementation approach proposing non-circuit build to be allocated to existing circuits and thereby included within the EFs rather than creating proxy circuits (as proposed by the CMP315 and CMP375 Original). Do you have any thoughts on this and do you agree with LCP’s proposal for reinforcement factors? Please provide justification for your response. | Click or tap here to enter text. |
| 12 | To achieve implementation by 1 April 2023, the Workgroup understand that it will not be possible under the current timeline to include the new EC/EFs in the draft TNUoS tariffs for 2023/2024. Do you support this and, if so, in the absence of draft TNUoS tariffs for 2023/2024, what detail will you need ahead of final TNUoS tariffs being published? |  |