

Workgroup Consultation Response Proforma**CMP398: GC0156 Cost Recovery mechanism for CUSC Parties**

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 24 January 2023**. 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 banke.john-okwesa@nationalgrideso.com or cusc.team@nationalgrideso.com

| Respondent details | Please enter your details |
|-------------------------|---------------------------|
| Respondent name: | Andy Vaudin |
| Company name: | EDF Energy |
| Email address: | andyvaudin@edfenergy.com |
| Phone number: | 020 8186 1331 |

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.

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.*

*The Electricity Regulation referred to in objective (c) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.

Please express your views in the right-hand side of the table below, including your rationale.

| Standard Workgroup Consultation questions | | | | | | | | |
|---|--|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1 | Do you believe that the Original Proposal better facilitates the Applicable Objectives? | <p>Mark the Objectives which you believe the original solution better facilitates:</p> <table border="1"> <tr> <td>Original</td> <td><input type="checkbox"/>A</td> <td><input type="checkbox"/>B</td> <td><input type="checkbox"/>C</td> <td><input type="checkbox"/>D</td> <td><input type="checkbox"/>E</td> </tr> </table> <p>A codified cost recovery mechanism will be important to prevent CUSC Parties, not contracted with the ESO as Restoration Service Providers, being commercially disadvantaged by new obligations under the Grid Code GC0156 Restoration proposals. However, there needs to be clarity in the proposal on whether capex and/or opex cost recovery is only allowable for plant connected prior to implementation of GC0156, or if any elements would be allowable for all future plant.</p> | Original | <input type="checkbox"/> A | <input type="checkbox"/> B | <input type="checkbox"/> C | <input type="checkbox"/> D | <input type="checkbox"/> E |
| Original | <input type="checkbox"/> A | <input type="checkbox"/> B | <input type="checkbox"/> C | <input type="checkbox"/> D | <input type="checkbox"/> E | | | |
| 2 | Do you support the proposed implementation approach? | <p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>A codified cost recovery mechanism will be important to prevent CUSC Parties, not contracted with the ESO as Restoration Service Providers, being commercially disadvantaged by new obligations under the Grid Code GC0156 Restoration proposals. The implementation approach is supported, however, there needs to be clarity on whether capex and/or opex cost recovery is only allowable for plant connected prior to implementation of GC0156, or if any elements would be allowable for all future plant.</p> | | | | | | |
| 3 | Do you have any other comments? | None | | | | | | |
| 4 | Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider? | <p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p> <p>Click or tap here to enter text.</p> <p>Click or tap here to enter text.</p> | | | | | | |

| Specific Workgroup Consultation questions | |
|---|--|
| 5 | <p>Given that most generators have some inherent resilience that has to be maintained regardless of this modification/regardless of</p> <p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> |

| | | |
|---|--|---|
| | ESRS, do you believe the inherent resilience should be considered when generators are requesting for funding for 72hrs resilience? If so, please explain why? | |
| 6 | The terms of reference of the workgroup requests that the workgroup estimates a cost impact for this modification, if approved. Do you have any cost information (anonymised/hypothetical) for CMP398 that you can share with the Workgroup? if so, please do so. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No This information should have been provided to the Grid Code GC0156 workgroup by the ESO. |
| 7 | <p>The Proposer is considering adding this wording to CMP398: <i>“The Claimant party shall use reasonable endeavours, exercising good Industry practice, to identify if compliance with the GC0156 requirement could be achieved at a materially lower cost by meeting a lesser technical requirement (such as by providing resilience for less than 72 hours) and if so, then they shall advise the ESO accordingly and liaise with the ESO about possible solutions associated with a derogation. If appropriate, they shall seek a derogation from Ofgem on that basis. If a derogation is not forthcoming then the cost (subject to being reasonable, efficient and proportionate) shall be claimed for.”</i></p> <p>Do you consider there would be a lot of such cases?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No This are likely to be such cases. Information to allow an assessment of how many cases should have been provided to the Grid Code GC0156 workgroup by the ESO. |
| 8 | Do you agree with the proposed level of £100k for ex | <input type="checkbox"/> Yes <input type="checkbox"/> No |

| | | |
|--|---|-------------|
| | ante pre approval or should the level be higher or lower than this, and if so, why? | No response |
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