

Annex 8 - CUSC Workgroup Vote

CMP337: 'Impact of DNO Contributions on Actual Project Costs and Expansion Factors'

&

CMP338: 'Impact of DNO Contributions on Actual Project Costs and Expansion Factors – New Definition of Cost Adjustment'

The Applicable CUSC Charging Objectives for CMP337 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 CUSC arrangements.

*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).

The Applicable CUSC Non-Charging Objectives for CMP338 are:

- a. The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- b. 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;
- c. Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and
- d. 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).

Workgroup Vote

Vote recording guidelines:

“Y” = Yes

“N” = No

“-“ = Neutral

CMP337 - Vote 1:

Does the original proposal (CMP337) facilitate the CUSC charging objectives better than the Baseline?

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Rachel Kettles	SHEPD					
Original	Yes	Yes	Yes	Neutral	Yes	Yes
Voting Statement:						
SHEPD as Proposer considers that the modifications:						
<ul style="list-style-type: none"> – facilitate more cost-reflective arrangements, more effectively facilitating competition in generation and supply of electricity; – results in charges which reflect costs incurred by transmission licensees by ensuring charges reflect net costs incurred by TO after any DNO contribution is netted off; – takes account of developments in transmission in implementing the Authority's 17 December 2019 decision to approve a contribution by a DNO towards the costs of a TO project; – promotes efficiency in implementation / admin of CUSC arrangements by removing ambiguity, implementing an Authority decision in the interests of consumers. 						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Eleanor Horn	National Grid ESO					
Original	Neutral	Yes	Neutral	Neutral	Yes	Yes
Voting Statement: CMP337 creates a more cost reflective charge by enabling the charging methodology to take into account a contribution from a third party to the cost of transmission infrastructure as approved by the Authority. This results in tariffs which better reflect the revenue related to that asset which needs to be recovered through TNUoS. CMP337 better facilitates the efficiency and administration of the CUSC arrangements by removing ambiguity over what costs the ESO should include when calculating circuit specific expansion factors for sub-sea AC or HVDC links in accordance with 14.15.75 and 14.15.76.						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Paul Mott	EDF Energy					
Original	Neutral	Yes	Neutral	Neutral	Yes	Yes
<p>Voting Statement: 337 better facilitates charging objective (b), because they will ensure that the charges will reflect the net costs incurred by relevant TO, taking account of any DNO contribution and respecting existing pro-rating of costs between local and wider charge elements so that the contribution is allocated correctly across the charging “pie”. 337 better facilitates charging objective (e) because it attempts to remove ambiguity in the interpretation of 14.15.75 and 14.15.76 with regard to the impact of DNO contributions upon a transmission licensee’s “actual project costs”.</p>						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
John Tindall	SSE Renewables Developments UK Ltd					
Original	Yes	Yes	Yes	Neutral	Yes	Yes
<p>Voting Statement: The original will ensure that charges will better reflect the costs incurred by transmission licensees and in so doing will also better facilitate effective competition. It better takes account of developments in transmission licensees transmission business by adapting the CUSC to accommodate the new circumstances of a DNO contribution. It is better regarding efficiency in implementation and administration due to improving clarity and reducing risk of ambiguity.</p>						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Dennis Gowland	Neven Point Wind Ltd					
Original	Yes	Yes	Neutral	Yes	Yes	Yes
<p>Voting Statement: The modification seeks to make some amendments to the CUSC which reflect the contribution of TO assets to a DNO on particular circuits – notably on remote Islands. This proposal enables efficient building and operating of the UK grid going forward. It also aids competition by allowing on generation in areas of very high use of system charges, which otherwise may not be connected. The efficiencies in grid design and in longer term operational savings plus security of supply also help local demand.</p>						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Sharron Gordon	SSE - Transmission Operator					
Original	Yes	Yes	Yes	Neutral	Yes	Yes
<p>Voting Statement: Better facilitates the applicable objectives.</p>						

CMP 337 Vote 2 – WACM Vote (Currently not required)

~~Where one or more WACMs exist, does each WACM better facilitates the Applicable CUSC Objectives than the Original Modification Proposal?~~

CMP337 Vote 3 – Workgroup Vote

Which option is the best? (Baseline, Proposer solution (Original Proposal))

Workgroup Member	Company	BEST Option?
Rachel Kettles	SHEPD	Original
Eleanor Horn	National Grid ESO	Original
Paul Mott	EDF Energy	Original
John Tindall	SSE Renewables Developments UK Ltd	Original
Dennis Gowland	Neven Point Wind Ltd	Original
Sharron Gordon	SSE - Transmission Operator	Original

CMP338 - Vote 1:

Does the original proposal (CMP338) facilitate the CUSC non-charging objectives better than the Baseline?

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Rachel Kettles	SHEPD				
Original	Yes	Yes	Neutral	Yes	Yes
Voting Statement:					
In adding a new term and definition, CMP 338 facilitates the correct implementation of CMP 337. As such it facilitates the objectives better than the baseline commensurate with CMP 337.					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Eleanor Horn	National Grid ESO				
Original	Neutral	Neutral	Neutral	Yes	Yes
Voting Statement:					
CMP338 better facilitates the efficiency and administration of the CUSC arrangements by removing ambiguity over what costs the ESO should include when calculating circuit specific expansion factors for sub-sea AC or HVDC links by introducing a new defined term to the CUSC.					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Paul Mott	EDF Energy				
Original	Yes	Neutral	Neutral	Neutral	Yes
Voting Statement: better facilitates a - the efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence, by defining what's necessary for CMP337 to work.					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
John Tindall	SSE Renewables Developments UK Ltd				
Original	Neutral	Yes	Neutral	Yes	Yes
Voting Statement: The proposal better facilitates effective competition in generation. It is also better regarding efficiency in the implementation and administration of the CUSC arrangements by including a definition to improve clarity.					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Dennis Gowland	Neven Point Wind Ltd				
Original	Yes	Yes	Yes	Neutral	Yes
Voting Statement The contribution from a DNO to a TO is best described as a "Cost Adjustment" and that it clarifies the definition of "Actual Project Costs" where DNO contributions is reflected in Generator TNUoS. Thus the Original is better than the Baseline.					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Sharron Gordon	SSE - Transmission Operator				
Original	Yes	Yes	Neutral	Yes	Yes
Voting Statement: Better facilitates the applicable objectives.					

CMP 338 Vote 2 – WACM Vote (Currently not required)

~~Where one or more WACMs exist, does each WACM better facilitates the Applicable CUSC Objectives than the Original Modification Proposal?~~

CMP338 Vote 3 – Workgroup Vote

Which option is the best? (Baseline, Proposer solution (Original Proposal))

Workgroup Member	Company	BEST Option?
Rachel Kettles	SHEPD	Original
Eleanor Horn	National Grid ESO	Original
Paul Mott	EDF Energy	Original
John Tindall	SSE Renewables Developments UK Ltd	Original
Dennis Gowland	Neven Point Wind Ltd	Original
Sharron Gordon	SSE - Transmission Operator	Original