

CUSC Code Administrator Consultation Response Proforma**CMP324/5 Generation Zones – changes for RIIO-T2 and Rezoning – CMP324 expansion**

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 June 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

If you have any queries on the content of this consultation, please contact Joe Henry joseph.henry2@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
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For reference the applicable CUSC 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. 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).*

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

Standard Code Administrator Consultation questions		
1	Do you believe that the CMP324/5 Original solution, WACM1, WACM2 or WACM3 better facilitates the Applicable CUSC Objectives?	<p>I consider that WACM3 best facilitates the CUSC objectives, and in particular better facilitates CUSC objectives a), d) and e).</p> <p>Onshore wind is one of the lowest cost forms of new-build electricity generation in the UK. The unintended consequences of the planned reforms could potentially have a significant negative impact on both existing and planned new onshore wind generation in the north of Scotland and the Scottish islands; adversely affect the move to decarbonise and reduce investment and jobs in these remote rural areas which have limited alternative investment opportunities.</p> <p>It considers the disruption caused by COVID-19 and gives generators more time to get ready for the proposed changes in charges which, for some, may be significant.</p> <p>The proposal is also in-line with other recent CMPs which have also had a delayed implementation. The option in WACM3 to fix and use the current 27 zones in the interim allows a greater degree of stability prior to moving to the solution proposed in the Original.</p>
2	Do you support the proposed implementation approach?	I support the delayed implementation of the Original until April 2023 – keeping the fixed (current) 27 zones until then.
3	Do you have any other comments?	<p>The Original and WACM3, both, envisage a fixed 14 charging zones solution for transmission to align with demand. This allows greater predictability and stability going forward as more infrastructure is added – particularly in resource rich areas in Northern and Western Scotland and the Scottish Islands – initially for onshore wind and, later, wave and tidal stream.</p> <p>I believe that any changes to the charging methodology should lower barriers to entry for remote Island wind and offer an opportunity for the development of marine technologies. We note that under WACM1, and using the projections supplied by ESO, the resultant TNUoS for the Islands would be excessive, discriminatory, and anti-competitive. For Orkney, the level of TNUoS could</p>

	<p>render all new development uneconomic and has the potential to bankrupt many existing community owned wind turbines.</p> <p>Consideration requires to be given as to how the new charging regime would apply to generators in Orkney connected to the distribution grid through the Orkney RPZ Active Network Management system as they have non-firm connections subject to curtailment. If they were to be subjected to the full impact of the proposed TNUoS charging regime then they would require full access to the UK grid.</p> <p>Ofgem has recently published its Decarbonisation Plan which recognises the critical role they have to play to achieve decarbonisation. The proposed changes to network charging appears to create a fundamental misalignment and contradiction of published strategy by the regulator, and legal commitments of both the UK and Scottish Governments for Net Zero.</p> <p>Access to national infrastructure should be open to all on a fair and reasonable basis. We would urge the Regulator to take these issues into account when making its decision.</p>
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