

## 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](mailto: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](mailto:banke.john-okwesa@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

Respondent details	Please enter your details
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#### 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> <p>Original    <input checked="" type="checkbox"/> A    <input type="checkbox"/> B    <input checked="" type="checkbox"/> C    <input checked="" type="checkbox"/> D    <input type="checkbox"/> E</p> <p>Click or tap here to enter text.</p>
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>
3	Do you have any other comments?	<p>SPR strongly disagree with the position that 72 hours resilience needs to apply to all transmission connected or large embedded sites, especially in terms of retrospectivity. NGESO should perform regional studies to determine which plants need to come back up to meet regional demand and only those plants should have 72hr resilience. Otherwise, the cost to consumers in terms of implementation of 72hr resilience by all CUSC parties will be unjustifiable, given there is no studies or cost assessment to justify this requirement.</p> <p>While specifically referring to the requirement, “the generating site or storage site or interconnector site needs to either have or be capable of mobilising all required personnel and resources to site within the required timescales whilst all external electricity supplies are dead. This capability to start must be maintained for a period of at least 72 hours from the failure of the external electricity supplies.” Given the large volume of connected generators on the network, we believe it is practically impossible to mobilise staff to sites given the significant logistical challenges that will ensure following a national power outage.</p> <p>NGESO should perform a cost benefit analysis to determine if this is actually required at all sites or certain key sites in the local restoration plans to maintain a stable island condition and meeting the required percentage of demand connection.</p>
4	Do you wish to raise a Workgroup Consultation	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

	Alternative Request for the Workgroup to consider?	Click or tap here to enter text.
		Click or tap here to enter text.

### Specific Workgroup Consultation questions

5	Given that most generators have some inherent resilience that has to be maintained regardless of this modification/regardless of ESRS, do you believe the inherent resilience should be considered when generators are requesting for funding for 72hrs resilience? If so, please explain why?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  SPR believe the inherent resilience built in all generators are not at par to be ready to overcome a low probability but high impact event like a national power outage. NGESO need to differentiate between a disconnection, a limited power outage, a storm condition and national power outage incident which will be logistically far more challenging as compared to the other 3 conditions. A national power outage will bring all infrastructure to a halt, creating unprecedented conditions, mobilisation of staff and logistical challenges may well prove to be unsurmountable depending on the location of the generator. Thus, building 72 hrs resilience for national power outage condition, inherently means considering all the aforementioned challenges.
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
7	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</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  As mentioned in our response to Q3, applying 72 hr resilience retrospectively will have significant cost and time impact on existing sites. On some sites, because of the technology and age of the site, it may prove challenging and impossible to get the requirement implemented within the implementation timescales of ESRS standard by December 2026.

	<p><i>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>	<p>For example, for windfarms parties would need an alternative supply on every site should the power fail to provide 72 hrs resilience such as a diesel genset or greener alternative, possible use of BESS if available. This of course only provides LV supplies to the building control systems, the turbines would be without power and for certain turbine models with particular transformers the clock will be ticking and when it reaches 72 hrs, engineers will be unable to power them back up without a long process of safety checks on the transformers to mitigate the risk of failure/fire due to moisture ingress etc.</p> <p>We would also need to assume no comms from the sites to the Control Centre, some sites will have resilience, but others will not, and a full study would be required to identify this. It will be impossible to know without communications if the site has actually restored and how many turbines are operational, even mobilisation of engineers will not help here. As engineers won't be able to climb each and every turbine to check if they are ready to be powered back up, resilient communication to each of these sites will be the key then and will require significant investment and time for implementation.</p> <p>There are a lot of questions to be answered as well as a lot of studies and tests going forward to give confidence whatever solution is proposed (targeted key or all T-connected assets)</p> <p>NGESO should perform a cost benefit analysis to determine if this is actually required at all sites or certain key sites in the local restoration plans to maintain a stable island condition and meeting the required percentage of demand connection.</p>
8	<p>Do you agree with the proposed level of £100k for ex ante pre approval or should the level be higher or lower than this, and if so, why?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>We believe this level should be revisited based on actual assessment of applying 72 hrs at large with</p>

		all CUSC parties and transmission connected and embedded sites.
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