

Workgroup Consultation Response Proforma

CMP331: Option to replace generic Annual Load Factors with Site Specific ALFs

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 11 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 Sally.musaka@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Ryan Ward
Company name:	ScottishPower Renewables
Email address:	Ryan.Ward@Scottishpower.com
Phone number:	07818538595

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 (charging) Objectives are:

- 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;*
- 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);*
- 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;*
- 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 system charging methodology.*

**The Electricity Regulation referred to in objective (d) 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 checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E</p> <p>Objectives A&B – Positive</p> <p>By using site specific ALFs, this could result in generators receiving more cost reflective TNUoS charges for the first 3 years of operation.</p> <p>By providing a more cost reflective charge, this would further improve against the Charging Principles within the Consumer Use of System Code 4.4.2.2</p> <p><i>CUSC 4.4.2.2 - “charges shall be “cost reflective” ie. Based and founded upon the actual or estimated costs directly incurred or to be uncured by the user for the purpose of providing the service or capability concerned.”</i></p> <p>Objectives C, D, E – Neutral</p>
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>N/A</p>
3	Do you have any other comments?	<p>The proposed modification will result in additional responsibilities for the ESO when compared with the status quo. For example, reviewing & approving the new site specific ALFs. The appropriate resourcing and processes will need to be in place to facilitate the change.</p> <p>The methodology should be clearly defined for users on the ESOs website. A standardised ALF assessment form would be of benefit for consistency and to ensure critical information is provided.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>N/A</p>

Specific Workgroup Consultation questions		
5	Do you believe that reconciliation of Generic or site-specific ALFs to actual ALFs should take place? And if so whether the reconciliation of charges would cause issues for Parties?	<p>No, we do not support the reconciliation of generic or site-specific ALFs to actual ALFs. This will result in an unforeseen impact (win or loss) to users. This unforeseen impact can create an unlevel playing field for users.</p> <p>If it were to be deemed necessary, the appropriate reconciliation threshold should be considered and then linked with inflation.</p>
6	What could be considered acceptable evidence as part of the independent assessment for the ESO to verify whether the site-specific ALFs are a fair and realistic forecast?	<p>All supplementary evidence that is not subject to the influence or manipulation by the user should be deemed acceptable. Example of information which could be provided or required:</p> <ul style="list-style-type: none"> – Historical data from similar generators installed locally – Contracted TEC as per offer or Commissioning reports to confirm (TEC) – Meso map source or equivalent virtual wind map <ul style="list-style-type: none"> ○ Average site wind speeds – Roughness map (topography) – Turbine estimates user preference – Loss assumptions – Energy Storage Systems storage performance data and inverter manufacturer's datasheet – Solar PV local heat maps and inverter manufacturers' datasheet <p>The parameters above will enable the energy yield calculation to be carried out. The user should also be provided the opportunity to challenge 3rd party's view, if materially different from their own. Evidence would be expected to be provided to support any challenge or dispute. As discussed within the workgroup, any disputes should follow the standard dispute process.</p>
7	Should there be any legal obligations on Users to be fully open and transparent with the independent third party and the ESO when calculating a site-specific ALF?	<p>Yes – all parties should be open and transparent given the data will be used to calculate users' transmission charges.</p> <p>It is in the users' interest to be fully open and transparent as NGESO withholds the right to disagree with the site-specific ALF. If disputed, the result will be the user continuing to use the generic ALF.</p>
8	Do you agree CMP331 only applies to	Yes, SPR are comfortable with CMP331 only applying to new generators as the ESO raised and discussed

	<p>new generators or should existing generators retrofitting new plant be eligible?</p>	<p>their current approach for retrofitting generators during the workgroup.</p> <p>An ESO representative explained the ESO's current practice is to identify stations which have converted to a new plant type and consider on a case by-case basis what is the most appropriate data to use.</p> <p><i>CUSC 14.15.113 "If a User can demonstrate that the generation plant type of a Power Station has changed, consideration will be given to the use of relevant generic ALF information in the calculation of their charges until sufficient specific data is available."</i></p>
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