

Workgroup Consultation Response Proforma

CMP428: User Commitment liabilities for Onshore Transmission circuits in the Holistic Network Design

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 **21 March 2024**. 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 cusc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Damian Clough	
Company name:	SSE Generation	
Email address:	Damian.Clough@sse.com	
Phone number:	N/A	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

I wish my response to be:

(Please mark the relevant box)

☒ **Non-Confidential** (*this will be shared with industry and the Panel for further consideration*)

☐ **Confidential** (*this will be disclosed to the Authority in full but, unless specified, will not be shared with the Workgroup, Panel or the industry for further consideration*)

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*

- d) *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 type="checkbox"/>A <input checked="" type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D</p> <p>a) <i>The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence; NEUTRAL</i></p> <p>b) <i>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; POSITIVE</i></p> <p>Under the current methodology the Offshore Generator's liabilities will be far higher than the reinforcement needed to connect the Offshore Generator. This modification far better aligns User Commitment with those causing the reinforcement. Is it the perfect solution? No, far from it. Is it better than baseline? Yes</p> <p>c) <i>Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; NEUTRAL</i> and</p> <p>d) <i>Promoting efficiency in the implementation and administration of the CUSC arrangements. NEUTRAL</i></p>
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>Yes, but it's disappointing that this is being tackled under Urgency timescales. It is a defect which has been known about for a long time, but Urgency is now necessary due to leaving it till the last moment.</p>

3	Do you have any other comments?	<p>Ofgem and the ESO have already signalled the need for this work. We seem to be ignoring the essence of User Commitment which is to avoid stranded assets, and unnecessary work being undertaken based on schemes which do not go actually go ahead. We are just blindly following the status quo which is; we have always done it this way so let's continue instead of stepping back and thinking, why is User Commitment needed in the first place. We have a connection queue of hundreds of GW's and Net Zero Planning shows the need for Renewables. These assets won't be stranded and its centrally planned so why the need for User Commitment at all?</p> <p>The end consumer arguably necessitates the need to go offshore to reinforce, by making it extremely difficult to build onshore. This creates significant extra cost. Therefore, should the end consumer bear some of the risk? CMP402 and CMP411 mods introduced Anticipatory Investment for User Commitments, but only seeks to push a proportion of the liabilities onto Generators, as the assumption is the risk of stranded assets is minimal. Under every scenario out there this reinforcement is required and as shown under the ESO 2035-2050 Vision. Do we need to push User Commitment onto generators thus unnecessarily increasing costs when the likelihood of this reinforcement being stranded is minimal at best.</p> <p>It would be extremely difficult to amend the current User Commitment Methodology, in terms of MITS nodes, attributable definition to ensure the liabilities are pushed onto the most appropriate set of users whilst also aligning with the current methodology. Therefore Ofgem are introducing an effective override to determine which users should be liable as the methodology doesn't work. This appears to be a constant theme, where we try to align, onshore with offshore, centrally planned with incremental build based on particular users, anticipatory build, socialisation of costs required for net zero. Here is a case of a centrally planned set of reinforcement required for Net Zero being crowbarred into a methodology where it's obvious that it doesn't quite work.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section)</p> <p><input checked="" type="checkbox"/> No</p> <p>No, as under Urgency this will severely put at risk the timeline and we don't have the evidence required to justify a WACM; but to note it does feel like this workgroup is just blindly following what's currently in existence instead of sitting back and thinking about what is the purpose of User Commitment.</p>

Specific Workgroup Consultation questions

5	Does the solution help provide better cost reflectivity for liabilities?	Yes
6	Do you agree the title of this modification should be changed to 'User Commitment liabilities for Onshore Transmission (reinforcement) in the Holistic Network Design'?	Yes