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## Code Administrator Consultation Response Proforma

### CMP444: Introducing a cap and floor to wider generation TNUoS charges

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 [cust.team@nationalenergyso.com](mailto:cust.team@nationalenergyso.com) by **5pm** on **14 March 2025**. 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 [cust.team@nationalenergyso.com](mailto:cust.team@nationalenergyso.com)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Iain Symon	
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<b>Phone number:</b>	07454146364	
<b>Which best describes your organisation?</b>	<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 Panel or the industry for further consideration*)

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**For reference the Applicable CUSC (charging) 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 C11 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 and the ISOP business\*;*
- d) *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency \*\*; and*
- e) *Promoting efficiency in the implementation and administration of the system charging methodology.*

\* See Electricity System Operator Licence

\*\*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 Code Administrator Consultation questions			
1	Please provide your assessment for the proposed solutions	Mark the Objectives which you believe the proposed solutions better facilitates:	
		Original	<input checked="" type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D <input checked="" type="checkbox"/> E
		WACM1	<input checked="" type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D <input checked="" type="checkbox"/> E

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	against the Applicable Objectives?	WACM2	<input checked="" type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D <input checked="" type="checkbox"/> E
		WACM3	<input checked="" type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D <input checked="" type="checkbox"/> E
		WACM4	<input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D <input checked="" type="checkbox"/> E
		WACM5	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D <input checked="" type="checkbox"/> E
		WACM6	<input checked="" type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D <input checked="" type="checkbox"/> E
		WACM7	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D <input type="checkbox"/> E
		All the proposed solutions represent an improvement for the market and are well structured concepts but will require some further thought with 4 representing the potenchal for good market signals with development.	
2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input type="checkbox"/> WACM1 <input type="checkbox"/> WACM2 <input type="checkbox"/> WACM3 <input checked="" type="checkbox"/> WACM4 <input type="checkbox"/> WACM5 <input type="checkbox"/> WACM6 <input type="checkbox"/> WACM7 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference	
		4 represents a significant improvement and recognises the reduction in network required in south Scotland over north Scotland. All the proposed improvements are an improvement on the current situation, but care and attention are required to the final outcome so that all generation is competitive in CfD. More focus should be on promoting demand close to generation, not just	

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		generation near demand. 5 and 7 appear to be the least effective.
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Overall yes but a review of progress to assess viability with successful implementation over timescales being the priority
4	Do you have any other comments?	NESO's proposal would cap future charge increases in northern Scotland but still impose significant cost disadvantages compared to the south. Similarly, some CMP444 alternatives under Ofgem's review could hinder northern projects from securing a CfD, reducing market competition or inflating clearing prices, benefiting southern generators at consumers' expense. Existing projects would continue facing value erosion with no way to recover unpredictable TNUoS losses, discouraging future investment. This could also lead to 'cannibalisation,' where newer projects, better aligned with locational signals, drive up TNUoS costs and undermine existing developments.
5	Do you agree with the Workgroup's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Click or tap here to enter text.
		Click or tap here to enter text.