

Public

## Workgroup Consultation Response Proforma

### CMP432: Improve “Locational Onshore Security Factor” for TNUoS Wider Tariffs

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@nationalenergyso.com](mailto:cusc.team@nationalenergyso.com) by **5pm** on 07 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:  
[cusc.team@nationalenergyso.com](mailto:cusc.team@nationalenergyso.com)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Craig Duffy	
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<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 Workgroup, Panel or the industry for further consideration*)

**For reference the Applicable CUSC (charging) Objectives are:**

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- 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 Workgroup Consultation questions		
1	Do you believe that the Original Proposal and better facilitates the Applicable Objectives?	Mark the Objectives which you believe the Original solution better facilitates: Original <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D <input checked="" type="checkbox"/> E Click or tap here to enter text.
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
3	Do you have any other comments?	It would appear there is broad consensus that the current locational security factor of 1.76 is not correct and does not reflect the reality of how individual generation projects

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		impact on the actual growth of transmission network. As such, we would argue that the proposed change is essential to align the CUSC to objectives A, B and C.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes (the request form can be found in the <a href="#">Workgroup Consultation</a> Section) <input checked="" type="checkbox"/> No Click or tap here to enter text.
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?	Yes

## Specific Workgroup Consultation questions

6	Do you think there are any other approaches to reflecting the cost of security or is there a value other than 1 or 1.76 that is more appropriate. If you have any supporting evidence, please provide this?	Given the complexity of the issue and questions over accessibility of data, we are unable to specify what we believe to be an appropriate security factor, but it would appear from the evidence supplied by the Proposer and Trident Economics that 1.76 significantly inflates the actual expansion of the transmission network driven by generation and that a lower factor is appropriate. We therefore agree that there is a clear defect in the charging formula and that the LSF should be reduced or removed from the formula altogether.
7	Do you believe price signals should reflect average existing cost, incremental cost, a combination of the 2, or something else?	Incremental cost.

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8	Do you have a view on whether the SECULF model is appropriate? Is enough information available to market participants?	
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