

## CUSC Alternative and Workgroup Vote

### CMP316: TNUoS Arrangements for Co-located Generation Sites

**Please note:** To participate in any votes, Workgroup members need to have attended at least 50% of meetings.

#### Stage 1 - Alternative Vote

If Workgroup Alternative Requests have been made, vote on whether they should become Workgroup Alternative CUSC Modifications (WACMs).

#### Stage 2 - Workgroup Vote

2a) Assess the original and WACMs (if there are any) against the CUSC objectives compared to the baseline (the current CUSC).

2b) Vote on which of the options is best.

#### Terms used in this document

Term	Meaning
Baseline	The current CUSC (if voting for the Baseline, you believe no modification should be made)
Original	The solution which was firstly proposed by the Proposer of the modification
WACM	Workgroup Alternative CUSC Modification (an Alternative Solution which has been developed by the Workgroup)

#### The Applicable CUSC Objectives (Charging) 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.

## Workgroup Vote

### Stage 1 – Alternative Vote

Vote on Workgroup Alternative Requests to become Workgroup Alternative CUSC Modifications.

*The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.*

*Should the majority of the Workgroup OR the Chair believe that the potential alternative solution may better facilitate the CUSC objectives than the Original proposal then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.*

“Y” = Yes

“N” = No

“-“ = Neutral (Stage 2 only)

“Abstain”

Workgroup Member	Alternative 1
Nicola White	<b>N</b>
Lauren Jauss	<b>Y</b>
Garth Graham	<b>Y</b>
Robert Longden	<b>Not in attendance</b>
Grace March	<b>Y</b>
Thomas Cahill	<b>Y</b>
Joe Colebrook	<b>Y</b>
<b>WACM</b>	<b>WACM1</b>

## Stage 2a – Assessment against objectives

To assess the original and WACMs against the CUSC objectives compared to the baseline (the current CUSC).

You will also be asked to provide a statement to be added to the Workgroup Report alongside your vote to assist the reader in understanding the rationale for your vote.

ACO = Applicable CUSC Objective

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Nicola White	National Grid ESO (Proposer)					
Original	Y	Y	Y	-	-	Y
WACM 1	Y	Y	Y	-	-	Y
Voting Statement: [No statement provided].						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Garth Graham	SSE					
Original	Y	Y	-	-	-	Y
WACM 1	Y	Y	-	-	-	Y
Voting Statement: [No statement provided].						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Robert Longden	Cornwall Insight					
Original	Y	Y	-	-	-	Y
WACM 1	Y	Y	-	-	-	Y
Voting Statement: Both the Original and the Alternative are more cost reflective than the Baseline. There is a balance to be struck between the (relative) simplicity of the Original and the more complex (but marginally more cost reflective and “accurate”) Alternative. Since both solutions increase the complexity of the TNUoS calculations, then it would appear prudent to implement the more cost reflective Alternative.						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Grace March	Sembcorp					
Original	Y	Y	-	-	-	Y
WACM 1	Y	Y	-	-	N	Y

#### Voting Statement:

Both solutions ensure that similar generators will be charged on an agreed and published basis, so reducing the possibility of generators 'choosing' how to be charged, thus improving competition.

Both solutions are more cost-effective than the Baseline, in that they recognise differences in system use from different technologies on a co-located site. They are therefore positive against ACO (b). WACM1 is more cost-reflective, as it separates the impacts of different technologies on Peak and Year Round background and reflects those differences in the final charge.

Whilst the modifications remove uncertainty as to how co-located generators will be charged, which is positive against ACO (e), the introduction of a number of new terms and increased complexity, especially of WACM1, would be negative against ACO (e). For the Original proposal, these largely balance out. For WACM1, the increased complexity can be mitigated by the ESO producing clear guidance (separate to the CUSC) that users can refer to. This increased complexity is outweighed by the improved cost-reflectivity and therefore WACM1 is more positive overall.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Thomas Cahill	Green Investment Group					
Original	Abstain	Abstain	Abstain	Abstain	Abstain	Abstain
WACM 1	Abstain	Abstain	Abstain	Abstain	Abstain	Abstain

Voting Statement: [No statement provided].

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Joe Colebrook	Innova Capital Limited					
Original	Y	N	Y	Y	N	Y
WACM 1	Y	Y	Y	Y	N	Y

Voting Statement: Voting Statement: Both options allow more effective cost apportionment across different technologies on the transmission network than the existing baseline method. Both options increase the complexity of administering TNUoS charges because they introduce multiple new concepts and algorithms to calculate the final amount, but this is considered an acceptable compromise to allow a more effective cost apportionment, and it should be noted the WACM1 is more complex than the Original Proposal. The Original proposal, in its effort to reduce some of the complexity, could allow scenarios where the TNUoS charge of a multi-

technology sites does not accurately reflect how it uses the network, for example the addition of renewables to an existing site could reduce the peak element of the charge without changing the TEC or operational profile of the existing thermal plant. Therefore, the WACM1 is better designed to ensure technologies with different profiles can co-utilise TEC but still be appropriately charged for the use of the system.

### Stage 2b – Workgroup Vote

Which option is the best? (Baseline, Proposer solution (Original Proposal), WACM1 or WACM2)

Workgroup Member	Company	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
Nicola White	NGESO	<b>Original</b>	<b>A, B, C</b>
Garth Graham	SSE	<b>WACM1</b>	<b>A, B</b>
Robert Longden	Cornwall Insight	<b>WACM1</b>	<b>A, B</b>
Grace March	Sembcorp	<b>WACM1</b>	<b>A, B</b>
Thomas Cahill	Green Investment Group	<b>Abstain</b>	<b>N/A</b>
Joe Colebrook	Innova Capital Limited	<b>WACM1</b>	<b>A, B, C, D</b>

The Workgroup concluded by majority that both the Original and WACM1 better facilitated the Applicable Objectives than the Baseline.

Option	Number of voters that voted this option as better than the Baseline
Original	<b>5</b>
WACM1	<b>5</b>