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

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

- d) 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;*

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- e) *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);*
- f) *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\*;*
- g) *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency \*\*; and*
- h) *Promoting efficiency in the implementation and administration of the system charging methodology.*

*\* See Electricity System Operator Licence*

*\*\*The Electricity Regulation referred to in objective (G) 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.*

*\* See Electricity System Operator Licence*

*\*\*The Electricity Regulation referred to in objective (iii) 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.*

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## 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”

**Please see Annex 6 for the Alternative Vote and first Workgroup Vote.**

### 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

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Workgroup Member	Better facilitates ACO (d)	Better facilitates ACO (e)	Better facilitates ACO (f)	Better facilitates ACO (g)	Better facilitates ACO (h)	Overall (Y/N)
<b>Garth Graham – SSE Generation</b>						
<b>Original</b>	Y	Y	–	–	–	Y
<b>WACMI</b>	Y	Y	–	–	–	Y
<b>Voting Statement:</b>  The voting statement by Workgroup member Robert Longden (at the initial Workgroup vote) succinctly reflects my reasoning and that is:  <i>“Both the Original and the Alternative [WACMI] 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 [WACMI]. Since both solutions increase the complexity of the TNUoS calculations, then it would appear prudent to implement the more cost reflective Alternative [WACMI]”.</i>						

Workgroup Member	Better facilitates ACO (d)	Better facilitates ACO (e)	Better facilitates ACO (f)	Better facilitates ACO (g)	Better facilitates ACO (h)	Overall (Y/N)
<b>Martin Cahill – National Energy System Operator</b>						
<b>Original</b>	Y	Y	Y	–	Y	Y
<b>WACMI</b>	Y	Y	Y	–	Y	Y
<b>Voting Statement:</b>  Our preference is for WACMI over Original on the basis that we believe this is more cost reflective. Our view is that both WACM and Original better facilitate the applicable objectives by providing a methodology which takes into account the individual technology types at a Power Station, as opposed to the current methodology where the tariff is only set based on the largest technology at the Power Station. In particular,						

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we believe that the ALF calculation is more cost reflective by using MTEC on the denominator instead of TEC.

Workgroup Member	Better facilitates ACO (d)	Better facilitates ACO (e)	Better facilitates ACO (f)	Better facilitates ACO (g)	Better facilitates ACO (h)	Overall (Y/N)
	<b>Robert Longden – Cornwall Insight</b>					
<b>Original</b>	Y	Y	–	–	–	Y
<b>WACM1</b>	Y	Y	–	–	–	Y
<b>Voting Statement:</b>  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 (d)	Better facilitates ACO (e)	Better facilitates ACO (f)	Better facilitates ACO (g)	Better facilitates ACO (h)	Overall (Y/N)
	<b>Ryan Ward – Scottish Power Renewables</b>					
<b>Original</b>	Y	Y	–	–	–	Y
<b>WACM1</b>	Y	Y	–	–	–	Y
<b>Voting Statement:</b>  Both the original and WACM1 aid to the cost reflectivity principle of the TNUoS tariffs, as this is something not currently visible in how co-located sites are charged.  Furthermore, the component-based tariff calculation in WACM1 more effectively supports the relevant objectives compared to the original approach.						

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Workgroup Member	Better facilitates ACO (d)	Better facilitates ACO (e)	Better facilitates ACO (f)	Better facilitates ACO (g)	Better facilitates ACO (h)	Overall (Y/N)
	<b>Tom Steward – RWE</b>					
<b>Original</b>	N	N	–	–	N	N
<b>WACM1</b>	Y	Y	–	–	N	Y
<b>Voting Statement:</b>  WACM1 better recognises the potential "heavier usage" of a connection where two technologies share their TEC. The TNUoS model makes the assumption that TEC goes unused for some periods, by renewable generators for example when the wind is not blowing, and unused by conventional generation when it is. Co-located sites with two types of generation can therefore take advantage of this assumption under the current baseline. There are similar issues with the original because where the TEC is allocated entirely to one technology only, the assumption remains that the TEC will not be used when that technology is not generating. This is not the case where TEC is being shared across technology types. It is therefore clear that WACM1 drives the optimal outcome.						

Of the 5 votes, how many voters said this option was better than the Baseline.

Option	Number of voters that voted this option as better than the Baseline
<b>Original</b>	4
<b>WACM1</b>	5

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## Stage 2b – Workgroup Vote

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

Workgroup Member	Company	Industry Sector	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
Garth Graham	SSE Generation	Generator	WACM1	d, e
Martin Cahill	NESO	System Operator	WACM1	d, e, f, h
Robert Longden	Cornwall Insight	Supplier	WACM1	d, e
Ryan Ward	Scottish Power Renewables	Generator	WACM1	d, e
Tom Steward	RWE	Generator	WACM1	d, e