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## Workgroup Consultation Response Proforma

### CMP423: Generation Weighted Reference Node

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 [usc.team@neso.energy](mailto:usc.team@neso.energy) by **5pm** on **20 June 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 [usc.team@neso.energy](mailto:usc.team@neso.energy)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Dennis Gowland	
<b>Company name:</b>	Research Relay Ltd	
<b>Email address:</b>	dennis@researchrelay.com	
<b>Phone number:</b>	07739392965	
<b>Which best describes your organisation?</b>	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input 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 checked="" 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)

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### **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;*
- 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.

### **For reference, the Electricity Balancing Regulation (EBR) Article 3 Objectives and regulatory aspects are:**

- a) *fostering effective competition, non-discrimination and transparency in balancing markets;*

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- b) enhancing efficiency of balancing as well as efficiency of national balancing markets;*
- c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
- d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;*
- e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;*
- f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;*
- g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.*

### What is the EBR?

The Electricity Balancing Regulation (EBR) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.

The EBR regulation lays down the rules for the integration of balancing markets in Europe, with the objectives of enhancing Europe's security of supply. The EBR aims to do this through harmonisation of electricity balancing rules and facilitating the exchange of balancing resources between European Transmission System Operators (TSOs). Article 18 of the EBR states that TSOs such as the NESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem.

**Please express your views in the right-hand side of the table below, including your rationale.**

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Standard Workgroup Consultation questions				
1	Do you believe that the Original Proposal better facilitates the Applicable Objectives versus the current baseline?	<p>Mark the Objectives which you believe the Original solution better facilitates than the current baseline:</p> <table border="1"> <tr> <td>Original</td> <td> <input checked="" type="checkbox"/>d   <input checked="" type="checkbox"/>e   <input checked="" type="checkbox"/>f   <input type="checkbox"/>g   <input type="checkbox"/>h  <input type="checkbox"/>None </td> </tr> </table> <p>Click or tap here to enter text.</p>	Original	<input checked="" type="checkbox"/> d <input checked="" type="checkbox"/> e <input checked="" type="checkbox"/> f <input type="checkbox"/> g <input type="checkbox"/> h <input type="checkbox"/> None
Original	<input checked="" type="checkbox"/> d <input checked="" type="checkbox"/> e <input checked="" type="checkbox"/> f <input type="checkbox"/> g <input type="checkbox"/> h <input type="checkbox"/> None			
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/>Yes</p> <p><input type="checkbox"/>No</p> <p>Click or tap here to enter text.</p>		
3	Do you have any other comments?	<p>The move of the 'weighted average centre' (reference node), used in the year round MWkm transport and tariff model, to the Northwards is reflective of how the transmission system is now being designed and built.</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 <a href="#">Workgroup Consultation</a> Section)</p> <p><input checked="" type="checkbox"/>No</p> <p>Click or tap here to enter text.</p>		
5	Does the draft legal text satisfy the intent of the modification?	<p><input checked="" type="checkbox"/>Yes</p> <p><input type="checkbox"/>No</p> <p>Click or tap here to enter text.</p>		

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6	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

### Specific Workgroup Consultation questions

7	Is it beneficial that the modification would largely reinstate the gradient of locational Demand charges?	<input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No
		Click or tap here to enter text.
8	Do you have any comments on the change in revenue collection proportions between generation and Demand?	<input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No
		Click or tap here to enter text.
9	Do you have any comments on the interactions between <u>CMP423</u> with other modifications, including <u>CMP432</u> , <u>CMP440</u> , <u>CMP442</u> and	<input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No
		In the northern zones 1-4 the reduction is relatively modest and would still be subject to the cap in case of CMP444 WACM1 and WACM4 whilst in the case of WACM7 would be lower

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	<u>CMP444?</u>	<p>than the cap. Relative to CMP432 the tariff resulting from CMP 423 would be significantly higher.</p> <p>CMP444 and WACMS made little difference to Zones 5 -14 relative to CMP 423. In Southern Zones 15-27 CMP 423 allowed for larger credits when combined with CMP 444 as CMP 423 charges would breach the floor.</p> <p>Overall the impact on generation and demand is modest - with more effect on the Generator Adjustment Tariff - which, therefore, allows more effect by locational factors.</p>
10	Regarding terms of reference (g), do you have comments on whether the assumption that a change in generation will displace generation elsewhere is appropriate both now and, in the future, and how this applies or is relevant to the modification?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>The view that generation change is more likely to displace generation elsewhere seems well founded and especially as renewable generation becomes a greater part of the generation mix. This is underpinned by the geographical limitation of, such as, wind resource, seabed leases and planning availability.</p>