

Public

## Workgroup Consultation Response Proforma

### CMP445: Pro-rating first year TNUoS for Generators

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@neso.energy](mailto:cusc.team@neso.energy) by **5pm** on **22 August 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@neso.energy](mailto:cusc.team@neso.energy).

Respondent details	Please enter your details	
<b>Respondent name:</b>	Grahame Neale	
<b>Company name:</b>	Lightsource bp	
<b>Email address:</b>	Grahame.Neale@lightsourcebp.com	
<b>Phone number:</b>	07741 158 820	
<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 checked="" 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

Public

### 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:

- 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\*;*

## Public

- 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.*

*Means the Use of System Charging Objectives, as if references therein to the Use of System Charging Methodology were to the Connection Charging Methodology and in addition, the objective (where consistent with the other objectives) of facilitating competition in the carrying out of works for connection to the National Electricity Transmission System.*

### 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.

Public

**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/or any potential alternatives better facilitate the Applicable Objectives versus the current baseline?	Mark the Objectives which you believe each solution better facilitates than the current baseline:	
		Original	<input checked="" type="checkbox"/> (d) <input checked="" type="checkbox"/> (e) <input checked="" type="checkbox"/> (f) <input type="checkbox"/> (g) <input checked="" type="checkbox"/> (h) <input type="checkbox"/> None
		WACM1	<input checked="" type="checkbox"/> (d) <input checked="" type="checkbox"/> (e) <input checked="" type="checkbox"/> (f) <input type="checkbox"/> (g) <input checked="" type="checkbox"/> (h) <input type="checkbox"/> None
		We agree with the proposers that the Original or WACM1 would better facilitate the CUSC objectives.	
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		Whilst we would like to see this implemented sooner after the Authority's decision (i.e. April 2026), we support the proposed approach.	
3	Do you have any other comments?	Not at this time.	
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 <u>Workgroup Consultation</u> Section) <input checked="" type="checkbox"/> No	
		Not at this time.	

## Public

5	Does the draft legal text satisfy the intent of the modification?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		We agree the legal text meets the intention of the proposal; however we would suggest caution with renumbering existing paragraphs unless all other links/references to those paragraphs are also updated.
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
		We agree with the workgroup in this regard.

## Specific Workgroup Consultation questions

7	In negative charging zones, Generators receive credits based on output from November to February, unlike the TEC-based approach used in positive charging zones. The	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		We agree with the principle that treatment of prorating should be consistent across generators in positive and negative charging zones. However, we also agree that due to the different application of TNUoS 'charges' in

## Public

	<p>Workgroup propose that the prorating should be applied equally to all zones without distinction between positive or negatively charged zones. Do you agree? Please explain your rationale.</p>	<p>positive and negative zones, the application of prorating may also be different in practice.</p> <p>In our opinion, for negative zones the pro-rata should be applied on the same basis (daily or monthly) as positive zones but only across the relevant timescales that the 'charges' are calculated (i.e. November to February for negative zones as this aligns with when the calculation of credits is done). This would:</p> <ol style="list-style-type: none"> <li>1. Provide full credits to projects connected before November.</li> <li>2. Provide <math>\frac{3}{4}</math> credits for projects connected in December (assuming monthly prorating).</li> <li>3. Provide no credits to projects connected in March.</li> </ol> <p>This approach would be a consistent application of the pro-rata principles applied to positive zones – i.e. positive charges are applicable 365 days/year and so any pro-rata should be across the same timeframe.</p>
8	<p>Do you have any views on the specific calculation proposed for prorating charges? Please provide your views.</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>A daily or monthly calculation would be better than the current baseline and whilst we do not have a strong view on this, we believe a calculation based on a daily pro-rata would be better.</p> <p>A daily pro-rata basis is more precise, fairer and removes the incentive (a monthly approach</p>

## Public

		<p>would introduce) to connect on the 1<sup>st</sup> of any month. Based on our quick calculations*, the most a daily method could save a generator compared to a monthly approach is £3,399.36 per MW (wider tariff only).</p> <p>An additional way this could be done (that may reduce the administrative burden of a daily pro-rata approach) is to apply TNUoS charges (in both positive and negative zones) from the next calendar day after connection. This would avoid complications of how the day of connection is considered in the pro-rata calculations.</p> <p>*Zone 1, Conventional Carbon generator with 100% load factor in zone 1 connecting on the 31<sup>st</sup> day of a month.</p>
9	Do you agree that a similar solution should be applied to operational users who permanently reduce their TEC, such as when decommissioning capacity or closing a generating station (or phase of a generating station)? please explain your rationale.	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>We believe a similar pro-rata approach would make sense in any scenario where the “permanent TEC” (i.e. excluding LDTEC, STTEC or other temporary TEC products) changes – increases or decreases. This will ensure that the network charges a generator pays most accurately reflects that generator’s ability to use the network.</p> <p>A standardised approach would also mean it could be applied (i.e. the same mathematical</p>

## Public

		<p>formula) to all generators even if they don't change their TEC and result in the same charges as today. This would result in a simplified TNUoS methodology compared to a bespoke approach for different scenarios of a generator changing their TEC.</p> <p>Our only concern is whether an approach like this would be in scope of this modification or would need to be in the scope of a broader modification (e.g. CMP459).</p>
--	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------