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# P278 Report Phase Consultation Responses

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

## Consultation issued on 9 March 2012

## We received responses from the following Parties

| Company | No BSC Parties / Non-Parties Represented | Role of Parties/non-Parties represented |
|---|---|---|
| IBM (UK) Ltd. (for and on behalf of ScottishPower) | 7 / 0 | Supplier / Generator / Trader / Consolidator / Exemptible Generator / Distributor |
| National Grid | 1 / 0 | Transmission System Operator |
| SONI Ltd (System Operator for Northern Ireland) | 1 / 0 | Interconnector Administrator / Interconnector Error Administrator |
| E.ON | 6 / 0 | Supplier / Generator / Trader / Consolidator / Exemptable Generator |
| EDF Energy | 10 / 0 | Generator / Supplier / Party Agent / Consolidator / Exemptable Generator / Trader |
| RWE Supply & Trading GmbH | 10 / 0 | Supplier/Generator/ Trader / Consolidator / Exemptable Generator / Party Agent |
| National Grid Interconnectors Limited (NGIC) | 1 / 0 | Interconnector Administrator / Interconnector Error Administrator |


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## Question 1: Do you agree with the Panel's initial recommendation that P278 should be approved?

**Summary**

| Yes | No | Neutral/No Comment | Other |
|---|---|---|---|
| 6 | 0 | 0 | 1 |

**Responses**

| Respondent | Response | Rationale |
|---|---|---|
| IBM (UK) Ltd. (for and on behalf of ScottishPower) | Yes | ScottishPower agree that P278 better facilitates Objective e, bringing the UK in closer alignment with European legislation, and therefore should be approved. |
| National Grid | Yes | For the reasons set out by the Workgroup and discussed by the Panel, we believe that P278 better meets the applicable objectives (a), (c) and (e) and thus we agree with the Panel's recommendation. |
| SONI Ltd (System Operator for Northern Ireland) | Yes | The adoption of P278 should facilitate the discharge of the transmission system in a manner which is more closely aligned with current European Regulations. It will also advance a common standard with other interconnectors across Europe, thus promoting competition. |
| E.ON | Yes | We agree that P278 would clarify GB compliance with the European Electricity Regulation, and might increase cross-border trade. Thus it would support BSC Objective (e) and at a European level Objective (c). |
| EDF Energy | - | We are uncertain whether the proposal would better facilitate BSC objectives. Several of the reasons given in support of the proposal seem to be based on assumptions whose justification is not obvious. We describe these in more detail at the end of this response, and summarise here in relation to BSC Objectives:<br>a) NGET has licence objectives to comply with European Regulations, however for the reasons given at the end of this response, we remain uncertain that this proposal is necessarily required by the Regulations.<br>b) Given that the proposal could constitute a subsidy to a certain type of flow, it is not clear that it would improve the efficiency of operation of the system in the near future. If |


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| Respondent | Response | Rationale |
|---|---|---|
| | | it were to result in increases in interconnector capacity it might be able to assist system security and efficiency, but we think market fundamentals and network constraints are more likely than this proposal to drive investment in interconnectors.<br>c) Given that the proposal could constitute a subsidy to a certain type of flow, it is not clear that it would improve efficient competition in the purchase and sale of electricity in the near future, although it might increase cross-border trade. If it were to result in increases in interconnector capacity it might be able to assist competition and liquidity in the long term, but we think market fundamentals and network constraints are more likely than this proposal to drive investment in interconnectors.<br>d) There do not appear to be any central cost efficiencies were this proposal to be implemented.<br>e) We are not convinced that European Regulations necessarily require this proposal, or any other, to change the general method of allocation of losses or loss related costs or benefits between delivering and offtaking users of the GB system. Further, it is unclear why amounts paid or recovered for losses under the Inter-TSO Compensation Scheme are allocated in adjustments to unrelated TNUoS charges. A more consistent approach would be to apportion the amounts in a similar manner to the existing allocation of actual losses, with all users sharing the cost or benefit.<br>In the absence of more detail about the Inter-TSO Compensation Scheme, which is apparently confidential to European Transmission System Operators, and more detail on the extent to which European and GB Policy seeks to support cross-border trading through subsidy rather than just the removal of inefficient barriers to trade, we cannot be confident that there is no alternative modification that would better facilitate the BSC Objectives.<br>We note that European objectives may conflict with BSC Objectives at a GB level. For example, increased interconnection and cross-border trade might or might not benefit consumers at a Europe-wide level, dependent on the efficiency of the Europe-wide |


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| Respondent | Response | Rationale |
|---|---|---|
| | | arrangements. However, even a benefit at a European level could involve benefit or detriment to GB consumers, and hence the BSC objectives, this being the nature of a common market intended for the common good rather than that of individual nations. Support for increased cross-border trade could give increased or reduced consumer prices in GB.<br><br>Finally, we note that if the European legislation is indeed intended to remove all network-related charges from interconnector flows as suggested by National Grid and some others, it will be difficult to arrive at a cost-reflective allocation of Europe-wide network-related costs in future without Europe-wide network-related charging arrangements. Even if charging approaches within different systems are harmonised, properly cost-reflective charging at a European level would require the "end-to-end" costs to be determined. Without cost-reflective charging, there is a risk of inefficient network investment and increased delivered energy prices in some or many parts of the Europe-wide system.<br><br>For example, a fully cost-reflective losses charging regime would require the marginal losses associated with flows at all points of the entire interconnected networks to be determined and used in trading to relevant common trading points. Trading between those common trading points would similarly need to consider the relative impact on losses of flows at the relevant trading points. There seems even to be a suggestion that trading could be to one single European trading point (instead of to local national markets such as that of GB) despite current wide variations in transport costs and approaches. In such an arrangement without a Europe-wide network charging regime, inefficient interconnector investment and cross-border trade would be likely. Currently any inefficiencies inherent in sharing costs are restricted within individual systems, and largely limited to those systems. If costs are shared Europe-wide, the potential inefficiencies could be increased. A cross-border flow that increases losses in the connected systems together might face virtually the same costs as one that reduces losses in the connected systems (in the same way that losses within the GB system are shared).<br><br>The ITC together with the allocation of net costs within each system could share costs among users in a completely different system altogether, or allocate costs to users who receive no corresponding benefit. |


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| Respondent | Response | Rationale |
|---|---|---|
| | | For a hypothetical example, if the underlying generation cost were the same in GB and in Italy, but the network cost for delivery from Italy to GB was the same as (or less than) the network cost for GB-sourced energy because there are no charges at all for cross-border trade, the ITC could, as we understand it, end up sharing the actual incremental network cost (or benefit) with all GB users, or even with users in another system with an unrelated import. The costs once shared might not be sufficient to influence such flows, even if they were inefficient.<br><br>While the resilience and level of security within existing transmission systems might be enhanced, this would not obviously be achieved efficiently. Systems are already quite robust. Charging all boundary flows within systems, including those at cross-border points between systems, as at present in GB, seems a pragmatic way of limiting the potential for inefficient cross-border flows, until such time as proper Europe-wide arrangements might be introduced. |
| RWE Supply & Trading GmbH | Yes | RWE Supply & Trading endorse the views of the Panel. |
| National Grid Interconnectors Limited (NGIC) | Yes | NGIC's opinion is that the BSC Objectives are achieved by P278, as follows:<br><br>Objective A – Yes, The solution aligns with the ITC arrangements. Transmission Licence requires compliance with European Regulations.<br><br>Objective B – neutral<br><br>Objective C – Yes in European context, slight reservation in GB context, although low materiality.<br><br>Objective D – Neutral<br><br>Objective E – Yes. |


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## Question 2: Do you agree with the Panel's recommended Implementation Date?

**Summary**

| Yes | No | Neutral/No Comment |
|---|---|---|
| 7 | 0 | 0 |

**Responses**

| Respondent | Response | Rationale |
|---|---|---|
| IBM (UK) Ltd. (for and on behalf of ScottishPower) | Yes | - |
| National Grid | Yes | We firmly believe that P278 should be implemented as soon as possible. Given that the proposed date appears to be the earliest practical opportunity, we agree with the Panel's recommendation. |
| SONI Ltd (System Operator for Northern Ireland) | Yes | SONI do not require any lead time for this proposal to be implemented and therefore the earliest viable Implementation Date is suitable. |
| E.ON | Yes | The November 2012 BSC Release date is a pragmatic choice, though being after the October contract round for Suppliers we agree with previous comments that it would be helpful for BSCCo. to ensure communication of the forthcoming TLM changes to parties as promptly as possible. |
| EDF Energy | Yes | Noting our uncertainty about whether the proposal is the best method to resolve the underlying issues, the notice period of about 6 months is sufficient to make any changes to our systems and processes that are necessary. |
| RWE Supply & Trading GmbH | Yes | - |
| National Grid Interconnectors Limited (NGIC) | Yes | No NGIC/IFA systems changes associated with P278. |


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## Question 3: Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P278?

**Summary**

| Yes | No | Neutral/No Comment |
|---|---|---|
| 6 | 0 | 1 |

**Responses**

| Respondent | Response | Rationale |
|---|---|---|
| IBM (UK) Ltd. (for and on behalf of ScottishPower) | Yes | - |
| National Grid | Yes | As per assessment response, the proposed legal text appears to meet the proposal's objective, namely no longer adjusting metered volumes for Interconnector BM Units whilst ensuring recovery of GB losses from non Interconnector BM Units. |
| SONI Ltd (System Operator for Northern Ireland) | Yes | SONI believe that the redlined changes to the BSC deliver the intention of P278. |
| E.ON | Yes | The redlined changes appear suitable and we appreciate the minor changes made since v0.2. |
| EDF Energy | Yes | - |
| RWE Supply & Trading GmbH | Yes | - |
| National Grid Interconnectors Limited (NGIC) | - | - |


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## Question 4: Do you have any further comments on P278?

**Summary**

| Yes | No |
|---|---|
| 2 | 5 |

**Responses**

| Respondent | Response | Rationale |
|---|---|---|
| IBM (UK) Ltd. (for and on behalf of ScottishPower) | No | - |
| National Grid | No | - |
| SONI Ltd (System Operator for Northern Ireland) | Yes | P278 removes the irregularity of interconnector users and the IEA being charged for transmission losses even though SONI and the National Grid already participate in the European Inter-TSO Compensation Scheme. |
| E.ON | No | - |
| EDF Energy | Yes | *See Detailed Response in Appendix 1* |
| RWE Supply & Trading GmbH | No | - |
| National Grid Interconnectors Limited (NGIC) | No | - |


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# Appendix 1: Detailed Response from EDF Energy to Question 4

**Firstly, we repeat comments made at the assessment stage, suggesting an alternative view of the Relevant EC Regulations, and interactions with the GB Trading Arrangements.**

**Interpretation of Relevant EC Regulations**

The European Regulations EC 714/2009 'conditions for access to the network for cross-border exchanges in electricity' and EC 838/2010 'laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging', which the proposal seeks to satisfy for the GB arrangements, are in themselves not sufficiently detailed to be sure that the proposed change is necessary or desirable.

The proposer's argument appears to rely on European Regulation EC 714/2009 brought into force by the European 3rd Energy Package implemented on 3 March 2011. Specifically:

Article 14 section 3 states:

> "3. When setting the charges for network access, the following shall be taken into account:
>
> (a) payments and receipts resulting from the inter-transmission system operator compensation mechanism;
>
> (b) actual payments made and received as well as payments expected for future periods of time, estimated on the basis of past periods."

Section 5 states:

> "5. There shall be no specific network charge on individual transactions for declared transits of electricity"

Regulation EC 838/2010 sets out rules for the Inter-Transmission System Operator Compensation scheme (ITC), but only at a high level. Details of exactly how the scheme operates are apparently confidential to the European Transmission System Operators, which appears contrary to the intent of EC 714/2009 Article 14 section 1:

> "1. Charges applied by network operators for access to networks shall be transparent, take into account the need for network security and reflect actual costs incurred…"

Section 7 of the introduction to regulation EC 714/2009 also seeks transparency in the tasks undertaken by the European Network of Transmission System Operators for Electricity (ENTSOE).

Section 4.3 of EC 838/2010 states "ENTSO for Electricity shall be responsible for carrying out the calculation referred to in point 4.2 [marginal amount of losses due to transits] and shall publish this calculation and its method in an appropriate format. This calculation may be derived from estimates for a number of points of time during the relevant period." This information should be provided to the workgroup and reported to BSC participants.

The proposer makes several interpretations that are not absolutely clear in the regulations:

1) The proposer assumes that the allocation of GB transmission losses is necessarily a "network charge" for which it as Transmission System Operator (TSO) is responsible. In GB, transmission losses are not currently "network charges" levied


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by the TSO, but are allocated directly under the Balancing and Settlement Code (BSC) to the delivery and offtake flows of physical system users. It is these flows that are mainly responsible for creating the losses. While the GB TSO is responsible under its licence for there being a BSC, it is not directly responsible for the detailed contents set out in the BSC. Given the interaction of the ITC with the arrangements for charging losses in GB, which are not managed by the GB TSO, National Grid Electricity Transmission (NGET) should have raised the issue of the ITC and its interaction with the BSC much earlier. There may be an argument that the allocation of transmission losses is not a TSO "network charge" at all in GB.

References in the regulations to costs incurred by a TSO do not apply to NGET in the case of transmission losses. NGET has an incentive scheme, but is not directly subject to the cost of losses on the GB Transmission System, other than those arising from the ITC itself. In relation to losses, it might be expected that any amounts that NGET receives or pays through the ITC scheme should be settled with and by BSC users who pay for losses, not as a component of Network Infrastructure charges that are settled in different proportions.

A more significant change to the GB arrangements to give the TSO responsibility for transmission loss charging would resolve these inconsistencies. However, this would not obviously be desirable or proportionate.

Note that EC 714/2009 Article 18 paragraph 5 in respect of the ITC includes a statement that "the Commission shall: (a) ensure that the Guidelines provide the minimum degree of harmonisation required to achieve the aims of this Regulation and do not go beyond what is necessary for that purpose…"

2) Regulation EC714/2009 Article 14 section 5 states: "There shall be no specific network charge on individual transactions for declared transits of electricity"

The proposer appears to have interpreted this to mean that there should be no contribution to the cost of GB transmission losses by individual cross-border flows.

This interpretation contains a number of assumptions:

- That the expression "no specific network charge on individual transactions" includes those "network charges" that are currently applied generally to all boundary flows including cross-border flows, and not specifically to cross-border flows. An alternative interpretation is that there should be no charges specifically for cross-border flows (eg. special charges for imports and exports, not faced by other delivery and offtake flows), which is the case already.
- EC 714/2009 Article 2(e) defines a "declared transit" to mean "a circumstance where a declared export of electricity occurs and where the nominated path for the transaction involves a country in which neither the dispatch nor the simulataneous corresponding take-up of the electricity will take place;"

Therefore "no specific charge on individual transactions for declared transits" is a very specific situation, for which there is already no specific charge in GB and therefore it could be argued GB is already compliant. GB has non-specific charges for cross-border flows that are fully aligned with the charges for other flows at the boundaries of the GB system, and not in any way specific to cross-border flows.


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3) The details of the ITC are unclear, but in simple terms we think it works something like this:

   a) The marginal loss in each system due to transit flows is estimated using a load-flow model, by comparing calculated losses with actual flows with a situation where transit flows are removed. It is not clear how transit flows are identified or removed. For GB there is no explicit means to identify a transit flow, and we would not expect the TSO to be aware of the individual transactions behind given nominated cross-border flows. We assume that cross-border flows in the "minority" direction are taken to be associated with a transit flow and somehow cancelled with an equivalent volume in the "majority" direction. However, perhaps all cross-border flows are simply set to zero.

   b) The TSO for each system receives the estimated cost (or pays the estimated saving) associated with transit flows from (or to) a central ITC fund.

   c) The central fund is cleared by payments from (or to) participating TSOs in proportion to their systems' proportions of the aggregate cross-border flows, disregarding direction. EC 838/2010 Annex Part A 6.1: "The transmission system operators shall contribute to the ITC fund in proportion to the absolute value of net flows onto and from their national transmission system as a share of the sum of the absolute value of net flows onto and from all national transmission systems". The time resolution for which this aggregation is performed is not clear, and it is not absolutely clear whether netting is at individual interconnectors or, more likely at a national level.

Countries with large net cross-border flows - those importing or exporting large amounts - will obviously contribute more. This appears to be essentially a non-cost-reflective sharing of certain costs between countries according to levels of net import and export. It is not clear that this will necessarily promote cross-border trade. Might the additional non-cost reflective costs for some countries actually act in the opposite direction, deterring cross-border trade? Is that the reason why explicit or implicit subsidy might be required, in the form of preferential charges for interconnector flows?

The proposer has assumed this set of ITC payments is an alternative in the case of cross-border flows for contributions by delivery and offtake flows under the BSC to the cost of losses in GB. It is not clear this is the case:

The ITC appears to cover the cost (or benefit) of hosting transit flows, not costs due to cross-border flows themselves. It appears to charge this on the basis of net inflow and outflow. NG appear to settle the net GB amount in TNUoS charges levied on a completely different basis to (other) losses (noting that GB interconnectors no longer pay TNUoS charges). This sharing of the cost of transit between the originators and end-user countries does not seem to relate to the allocation of the costs of losses themselves within countries. Under the ITC, a cross-border flow that isn't a transit is likely to result in a charge for a country, and one that is a transit could result in a charge or a benefit depending on its effect. There is no suggestion that these charges or benefits should be levied specifically on cross-border flows or transits themselves, quite the contrary, so it is not obvious that the existing GB allocation that shares between all deliveries and offtakes needs to change.


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The regulations simply require that the ITC amounts should be "taken into account" in setting national "network" charges. This could be taken to mean that no more than an adjustment to the losses paid for by users, in order to avoid double counting, is required.

During discussion at the workgroup, there was discussion of whether any special meaning should be given to the term "hosting" used in relation to "hosting cross-border flows" in the regulations, and hence the costs and charges associated with such flows. In particular, the context sometimes suggests it relates to facilitating a transit across a system, but in other places it relates to facilitating any cross-border flow, even if the energy is generated or used within the relevant system, and the relevant users might expect to contribute to the system costs like any other user.

**GB Balancing/Trading Point and Losses**

Trades made within the GB market are effectively made at the notional balancing point to which all volumes and most charges are referenced. A non-physical trader can buy and sell at that notional point without exposure to physical volume only because the physical participants ultimately at either end of non-physical trades are all subject to volume, costs and risks at the same reference point. For a non-physical trader, the arrangements are not complex. If some physical volumes are subject to different adjustments to the reference point, such as interconnector users, the concept of a common trading point is undermined because participants are no longer trading and competing on equal terms.

Interconnector flows represent physical flows to or from the GB system and the GB market, and should as far as possible be treated in the same manner as equivalent boundary flows by GB generators and suppliers. There should be clearer evidence of the wider benefits for European market integration and security of supply before positive discrimination in favour of interconnector usage over other users of the GB system is implemented.

We also note that separate and ostensibly unrelated proposals to change the relative allocation of BSUoS between cross-border trades and other deliveries and offtakes, and between delivery and offtake itself, would have the effect if implemented of changing the implied reference "point" for GB wholesale trades. If such a fundamental change is contemplated, it might also be sensible to consider changing the reference point for the charging of transmission losses, from the approximate midpoint of delivery and offtake, to the same point as chosen for BSUoS charging. Although the reference point is largely arbitrary, it is important that everyone understands where it is well in advance, and that it remains relatively stable, to inform efficient forward trading and reduce trading uncertainty.

**Secondly, we provide detail comments on particular points in the draft modification report:**

Page 5 of the draft modification report for P278 includes the statement:

> *"The ITC scheme is part of the wider European Commission (EC) objectives of removing barriers to cross-border flows, creating a single European market in electricity, and thus facilitating greater competition and benefits for consumers. It also relates to the move, under the Third Package, towards viewing Interconnectors as extensions to transmission systems in this single market which should not be subject to additional national network charges. As cross-border flows are required to facilitate the formation of a single European electricity*


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*market, applying national network charges to these flows can be seen as a barrier. One of the aims of the ITC scheme, and of the Commission generally, is to prevent the addition of multiple network charges (sometimes called 'pancaking' of charges) when a Party trades across multiple countries."*

i. Removing barriers to cross-border trades does not necessarily require positive discrimination or implicit subsidy for such trades.

ii. Positive discrimination or implicit subsidy for such trades would not necessarily deliver greater competition and benefits for consumers.

iii. Viewing interconnectors as extensions to transmission systems in a single market ignores the fact that there is not a single market and not a single charging regime for end-flows.

iv. It is not clear what is meant by a single European market. A number of linked markets each with common rules would sensibly take into account the cost associated with volumes flowing between the market points, essentially cross-border flows.

v. It is not clear that sharing cross-border costs in the manner of the ITC will lead to more efficient outcomes than adding the costs (or benefits) of that flow in each network through which it passes.

No references are given for many of the stated intents of European regulations.

Page 6 of the draft report states:

*"The intention of the ITC scheme is to compensate for transmission losses arising from all cross-border (i.e. Interconnector) flows, and the costs of making the necessary incremental infrastructure available. However, the mechanism which the ITC uses to calculate the losses element of the compensation only looks at a specific subset of these cross-border flows called 'transits'."*

Is it possible that different understandings of the intent of the ITC led to the apparently inconsistent guidance on it? Where is discussion of the intent recorded?

Page 7 of the draft report states:

*"The intention of the European Third Package legislation, of which the ITC scheme is part, is to remove barriers to cross-border flows. The GB (and therefore BSC) arrangements need to remain compliant with any European legislation. The BSC's allocation of GB transmission losses to Interconnector Users could be seen as charging for those GB transmission losses which occur as a result of hosting cross-border flows, and which are intended to be accounted for under the ITC scheme."*

Removing barriers to cross-border flows does not necessarily mean adopting discriminatory methods to favour them.

Page 9:

*"P278 and CMP202 are not dependent on each other. However, CMP202 can be viewed as another step towards the European Commission's objectives of facilitating cross-border trades and developing a Europe-wide single internal market in electricity."*


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Does a single internal market in electricity mean there can only be one market? Would separate markets between which trades and flows can be transacted by common rules suffice to meet this objective, in which case it is reasonable to consider the impact within each market of such flows? Does facilitating cross-border trade extend to explicit or implicit positive discrimination?

Page 16:

> *"Regulation (EC) No 714/2009, Article 14 Section 3(a) requires payments and receipts resulting from the ITC scheme to be taken into account when setting charges for network access. The Proposer acknowledges that this does not specifically say that Interconnectors should not be subject to national charges for transmission losses. However they consider that, given the above, there is a clear risk that charging Interconnector Users for losses could be viewed by the EC as non-compliant with the intention of the ITC and could lead to infringement proceedings."*

The prohibition on "specific charges" could simply mean that cross-border flows should not be subject to charges different to any other user of systems either side of a border.

Page 17:

> *"One Workgroup member and an Assessment Consultation respondent believe that it should be possible for the two different elements of National Grid's ITC charge (losses and infrastructure) to be disaggregated, and that the losses element of this charge could then be allocated to individual Interconnector BM Units through the BSC."*

While the different elements of the ITC charges should be separated and transparently reported, we do not believe there was any suggestion that the losses element should be allocated to individual Interconnector BM Units through the BSC. While it might be theoretically efficient to target costs on flows at individual locations, and this might be consistent with the regulations, if the same approach were applied to all locations, there is more of an argument that this would contradict the EC regulations demanding "no specific charges" on interconnector flows. Rather, the losses adjustment could be made as an adjustment to the existing sharing of losses between all users including interconnectors, not a specific charge.

Page 17:

> *"Even if the two elements could be disaggregated, there would still need to be a way of translating this monthly charge into a half-hourly Settlement Period Metered Volume adjustment for individual BM Units."*

This could be achieved by an adjustment to the total losses amount to be recovered in each period, with an annual reconciliation, or rollover to the following year.

Page 18:

> *"The Proposer considers that the ITC scheme is a Europe-wide charge levied on all TSOs for the use they make of other TSO's transmission systems, and is therefore analogous with TNUoS (noting that the ITC payments currently cover both infrastructure and losses within a single charge)."*


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The suggestion that TSOs "use each others systems" suggests a fundamentally different attitude towards the delivery of energy to that adopted in GB under NETA. In GB, the producers and users of energy use transmission systems to transport energy, and pay for the service provided, with incentives to encourage market trading of energy to deliver efficient supply. The SO is only used as the energy provider of last resort (for balancing, and, in future, for capacity). The idea that TSOs have ultimate responsibility for delivering energy, using other TSOs systems where necessary, like the former nationalised CEGB in GB, seems inconsistent with a market approach. It suggests that a more fundamental change from NETA back towards a TSO-led and managed arrangement may be necessary for harmonisation with Europe.



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