






Alternative Request Proposal Form	At what stage is this document in the process?
<h1>CMP335/6:</h1> <h2>Transmission Demand Residual – Billing and Consequential Changes</h2>	<div> <div>01</div> <div>Proposed Alternative</div> </div> <div> <div>02</div> <div>Proposed Workgroup Alternative</div> </div>
<p>Purpose of Alternative: This Alternative suggests an alternative approach to constructing the invoice for the billing of the Transmission Demand Residual using latest actual data rather than Supplier forecasts of Final Demand Site counts.</p>	
<p>Date submitted to Code Administrator: 16/03/2020</p> <p>You are: A Workgroup member</p> <p>Workgroup vote outcome: Formal alternative/not alternative</p> <p><i>(Should your potential alternative become a formal alternative it will be allocated a reference)</i></p>	

Contents		 Any questions?
1	Alternative proposed solution for workgroup review	2
2	Difference between this proposal and Original	3
3	Justification for alternative proposal against CUSC Objectives	4
4	Impacts and Other Considerations	5
5	Implementation	5
6	Legal Text	5
		Contact: Code Administrator
		 email address
		 telephone
		Alternative Proposer(s): Insert name
		 email address
		 telephone

1 Alternative proposed solution for workgroup review

Mandatory for the Alternative Proposer to complete Please outline your proposed alternative to the modification defect outlined within the Original Proposal

The Original introduces the use of monthly Supplier produced site count forecasts of the sites supplied in each TDR Charging Band, these forecasts will then be validated by the ESO revenue team against the latest actual site count data file as received from the BSCCo. This Alternative proposes to use this latest actual site count data file in place of supplier site count forecasts for the purpose of constructing the TDR invoice.

The invoicing timescales would remain the same.

This means that an invoice would be received by a supplier for the payment of the TDR liability for the month in question on the 1st of that month. The payment terms remain the same and reconciliation would take place as per the Original's timescales to account for movement of sites between supplier and the introduction of new sites. The charges would still be forward looking. However, this Alternative proposes to use latest actual site count data as opposed to supplier forecasts of site count to determine the TDR liability for a Supplier for the month ahead.

2 Difference between this proposal and Original

***Mandatory for the Alternative Proposer to complete.** Please provide as much information as possible as to why this proposed solution is different to the Original solution proposed*

The Original introduces the use of monthly Supplier produced site count forecasts of the sites supplied in each TDR Charging Band, these forecasts will then be validated by the ESO revenue team against the latest actual site count data file as received from the BSCCo. This Alternative proposes to use this latest actual site count data file in place of supplier site count forecasts for the purpose of constructing the TDR invoice.

3 Justification for alternative proposal against CUSC Objectives

Mandatory for the Alternative Proposer to complete.

Impact of the modification on the Applicable CUSC Objectives (Standard):

Relevant Objective	Identified impact
a. 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;	N/A
b. 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);	Positive: The Proposer's view is that use of most recent actual data will likely be more accurate than a Supplier forecast of site count as not all Suppliers have the resource to provide useful forecasts every month and may submit the same numbers which won't take into account changes in their customer landscape.
c. 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;	N/A
d. Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 *; and	N/A
e. Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive: This Alternative proposal will remove the burden on industry time and resource required to accurately forecast site count on a monthly basis. It will streamline ESO processes as validation of the forecasts would no longer be necessary. This Alternative introduces no new data flows into

	the monthly process as latest actual counts will be received by the ESO regardless for the purpose of reconciliation and forecast validation. Therefore this Alternative has a overwhelmingly positive impact on this CUSC objective.
--	---

*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

See in boxes above.

4 Impacts and Other Considerations

This Alternative removes the need for industry to develop systems and processes to support the monthly production of site count forecasts. It negates the need for the ESO to build site count forecast validation into the monthly billing cycle.

Consumer Impacts

By streamlining processes this Alternative should have a positive consumer impact by minimising costs associated with invoice production.

There will likely be a small positive consumer benefit compared to the Original proposal.

5 Implementation

This Alternative should follow the same implementation timescales as the Original. It does however require less preparation from industry and the ESO and therefore should be easier to implement due to the reduced system and process change.

6 Legal Text

Please provide legal text where possible to support the proposed solution.

Please outline where the proposed legal text differs from the text included in the Original Proposal. You do not need to duplicate the full legal text within this section.