

CUSC Workgroup Consultation Response Proforma**CMP332: Transmission Demand Residual bandings and allocation (TCR)**

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@nationalgrideso.com by **5pm on 27 February 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation please contact Paul Mullen at paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
Respondent name:	Benoit ENAULT
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For reference the applicable CUSC objectives are:

- 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;*
- 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);*
- 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;*
- 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*
- e. *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**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).*

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

Standard Workgroup Consultation questions		
1	Do you believe that the CMP332 Original Proposal better facilitates the Applicable CUSC Objectives?	The Proposal does address compliance, but it needs to solve the problem resulting from the split in bands, particularly the split of the top EHV bands, which would otherwise result in a large residual being applied to sites that are not energy intensive consumers.
2	Do you support the proposed implementation approach?	According to the current calendar, the outcome of the CMP332 on charging for 21/22 will be known only in August 20. This gives very little time for end-users to react to what is likely to create significant step changes in costs. Storengy UK would favour a more gradual phase in of the new rules.
3	Do you have any other comments?	Click or tap here to enter text.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No, Storengy UK is not a CUSC party.
Specific CMP332 Workgroup Consultation questions		
5	Based on the mapping table in Annex 6, does the proposed CMP332 solution deliver Ofgem's TCR SCR Direction? Please identify any areas you believe need to be addressed.	Click or tap here to enter text.
6	CMP332 solution proposes to have one Transmission Band for the demand residual charge. Do you agree, if not what do you suggest instead, and why?	Storengy UK believes that there are merits in splitting the Bands, to avoid negative side effects on sites that are at the lower end of a band. Not only the Transmission Band, but also the highest bands for Distribution EHV sites must be split as sites that are not energy intensive would otherwise pick up a disproportionate share of the cost, as explained in point 1 above.
7	The TCR SCR Direction specifies that 24 months of data is required to allocate the	24 months is fine as this will provide more stability to the results.

	customers to charging bands. The Original solution (for CMP332) proposes to use a standard 12 months period for all. What period of historical data do you think is required for setting the bands, and why?	
8	If there is any revenue under/over recovery due to the differences between the initial allocation of charging bands vs the outturn of such bands, how should this amount be recovered/rebated?	Click or tap here to enter text.
9	Should we use Measurement Classes rather than “No MIC” or “MIC” to determine initial grouping for the charging bands at low voltage, and why?	Click or tap here to enter text.
10	Should UMS be included in the banding structure (e.g. LV no MIC) or charged separately on a volumetric basis?	
11	Do you have any thoughts on any of the suggested options and/or do you believe there any other options for the Workgroup to consider?	The highest 2 bands for EHV sites must be split into 3. As the proposed band 3 and 4 include sites of very different sizes, sites that are not energy intensive would otherwise pick up a disproportionate share of the cost.