

**CUSC Workgroup Consultation Response Proforma****CMP335 - Transmission Demand Residual - Billing and consequential changes to CUSC Section 3 and 11 (TCR)' &****CMP336 'Transmission Demand Residual - Billing and consequential changes to CUSC Section 14 (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](mailto:cusc.team@nationalgrideso.com) by **5pm on 11 June 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 [paul.j.mullen@nationalgrideso.com](mailto:paul.j.mullen@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

Respondent details	Please enter your details
<b>Respondent name:</b>	Jessica Richardson
<b>Company name:</b>	InterGen UK
<b>Email address:</b>	jrichardson@intergen.com
<b>Phone number:</b>	07823 521940

**For reference the applicable CUSC objectives are:****CUSC (non-charging) objectives - for CMP335:**

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;*
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency \*; and*
- Promoting efficiency in the implementation and administration of the CUSC arrangements.*

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

**CUSC (charging) objectives - for CMP336:**

- 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.**

<b>Standard Workgroup Consultation questions</b>		
1	Do you believe that CMP335 Original proposal better facilitates the Applicable CUSC Objectives?	Because CMP 332 has been withdrawn, and its replacement CMP 343 only just issued, it is impossible to say if CMP335 will ultimately better facilitate the Applicable CUSC Objectives
2	Do you believe that CMP336 Original proposal better facilitates the Applicable CUSC Objectives?	Because CMP 332 has been withdrawn, and its replacement CMP 343 only just issued, it is impossible to say if CMP336 will ultimately better facilitate the Applicable CUSC Objectives
2	Do you support the proposed implementation approach?	Yes assuming CMP343 can be developed in time for it to be reflected in these modifications
3	Do you have any other comments?	In addition to the specific answers below we say that it is completely wrong, discriminatory and unfair for new sites (or indeed sites where the demand was never separately identified in the settlement system) to be charged based on an "average for all sites". Our solution would be for new sites to be excluded from charging until there was 12 months data available, that could then be used to "band" the customer with the shortfall charge recovered over the coming 12 or 24 months. The new system of charging will introduce a very significant "rate shock" for many sites (eg those previously not liable for material TNUoS charges) and any change should be phased in and certainly not based on erroneous estimates or comparisons
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No
<b>Specific CMP335/6 Workgroup Consultation questions</b>		
5	Based on the mapping table in Annex 4, does the proposed CMP335/CMP336 solution deliver	Because CMP 332, and its replacement CMP 343 only just issued, has been withdrawn it is impossible to say if CMP335/6 will ultimately meet the TCR SCR Direction For demand sites that are currently embedded within generator connections it is

	Ofgem's TCR SCR Direction? Please identify any areas you believe need to be addressed.	completely unclear how they would be treated eg are they regarded as directly connected, if not a separately BMU of settlement metered, how will their demand be derived, will they be regarded as a new site, etc.
6	Do you support the proposed allocation method to allocate transmission connected sites to bands (if more than 1 band is created under the new modification which will replace CMP332)? If not, what approach would you prefer? Please provide your rationale.	The allocation method is flawed if it diverges from the DCUSA methodology, after all one of the aims of the TCR SCR was to remove differences of treatment between distribution and transmission changing, so it doesn't make sense to introduce a new discrepancy.
7	Do you think it would be appropriate for ESO to seek a derogation from Ofgem to be outside of the 5% to 9.5% tolerance range where there is under/over recovery arising from successful disputes?	Yes
8	Do you agree with the proposed disputes process for transmission sites? Do you agree that this is compatible with the DCUSA disputes process?	No, it is not consistent. The diagram indicates that disputes are only possible if the consumption data is less than half or more than twice the assumed data, why are these bandings introduced, surely the test should be that the assumption was not correct
9	Do you support the method in ESO's alternative proposal to bill the Transmission Demand Residual? If not, what approach would you prefer? Please provide your rationale.	Yes