

CUSC Code Administrator Consultation Response Proforma**CMP343 & CMP340 - Transmission Demand 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 **22 September 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

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

Respondent details	Please enter your details
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CMP343**For reference the applicable CUSC Charging 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 use of system charging methodology.*

**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).*

CMP340

For reference the applicable CUSC non-charging objectives are:

- a) *The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- b) *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;*
- c) *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*
- d) *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).*

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

CMP343 - Standard Code Administrator Consultation questions		
1	Do you believe that the CMP343 Original solution, WACM1, WACM2, WACM3, WACM4, WACM5, WACM6, WACM7, WACM8 or WACM9 better facilitates the Applicable CUSC Charging Objectives?	<p>WACM 2/5/8 are the only ones that avoid major pricing discrimination for smaller transmission-connected demand sites.</p> <p>They also much better meet a (effective competition), b (fair pricing) & c (innovation – included as business development) of the CUSC Charging objectives.</p> <p>Original, WACM 1/3/4/6/7/9 – do not better meet the objectives outlined above.</p> <p>A single (£696k) or two-band (£372k) TCR decision would be disastrous for transmission-connected innovation and would make small-scale connections unviable by imposing excessive costs, thereby blocking opportunities to accelerate decarbonisation.</p> <p>How for smaller off-takers- can a single or dual band encourage effective competition, fair pricing or business development – i.e. better meet CUSC Charging objectives a, b or c?</p>
2	Do you support the proposed implementation approach for CMP343?	No. April 2023 seems more appropriate given the scale of impact on larger customers and the modest consumer impact (£5/year).

3	Do you have any other comments for CMP343?	<p>The CUSC charging objectives are subjective – Consultee’s will have a different view based on their business model and size of connection. Care should be taken that there is equitable representation from all sectors to avoid this contradiction. The objectives should be better defined.</p> <p>Original & WACM 1/3/4/6/7/9 – do not better meet a,b or c CUSC objectives outlined above. Original & WACM 1/1/3/4/6/7/9 will result in discriminatory pricing on the transmission network when compared with HV/EHV on the distribution network.</p> <p>DNO EHV users are being segmented into 4 bands, yet Ofgem’s baseline proposal is to treat all transmission-connected demand with a one-size-fits-all charge.</p> <p>All proposals except for WACM2/5/8 make it unaffordable to use these smaller-scale connection points – stifling innovation, and resulting in higher whole system costs by passing additional upgrade burden and costs onto the distribution network.</p> <p>A one-size-fits-all approach would be in direct opposition to a number of key government environmental strategies including; ‘Road to Zero’¹, Future of Mobility², Clean Air Strategy 2019³ and Ofgem’s key mandate laid out in its Strategic Narrative for 2019-2023⁴, which identifies three priorities:</p> <ul style="list-style-type: none"> • Enabling competition and innovation • Decarbonising at lowest cost • Protecting consumers <p>Ofgem’s remit is to promote flexibility, innovation and competition to drive down costs and carbon, it is therefore surprising to find new tariffs being introduced that will prevent new smaller-scale demand from finding its way onto the transmission system.</p>
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1	Do you believe that the CMP340 Original solution, WACM1 or WACM2 better facilitates the Applicable CUSC Objectives?	Yes
2	Do you support the proposed implementation approach for CMP340?	No. April 2023 seems more appropriate given the scale of impact on larger customers and the modest consumer impact (£5/year)
3	Do you have any other comments for CMP340?	No.