

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:**

- 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;*
- 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);*
- 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;*
- 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*
- 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>The proposal has been brought on the instruction of the Regulator and should therefore be compatible with objective (c).</p> <p>The Original Proposal and WACMs 3 and 6 are in line with the direction given by the regulator, and therefore meet objective (c). The introduction of charging bands, in WACMs 2, 3, 4, 5, 7 & 8, would be an additional change that was not part of the direction of the Regulator and therefore does not meet Objective (c) to the same extent.</p> <p>The Original proposal performs less well against Objective (b) than WACMs 3 and 6 because flooring leads to non-cost reflective locational signals in a number of demand zones. WACM 6 would better address the proposer's concerns about unwanted demand increases over the TRIAD, whilst maintaining cost reflective locational signals throughout GB. WACM6 is therefore the best fit with the CUSC objectives as a whole.</p>
2	Do you support the proposed implementation approach for CMP343?	<p>The timescales are in line with those directed by the Regulator. However, removing the locational signal in several zones by flooring is inconsistent with the direction given by the regulator and pre-judges the outcome of the access and forward looking charge consultation, which is still ongoing.</p>

3	Do you have any other comments for CMP343?	The introduction of charging bands, in WACMs 2, 3, 4, 5, 7 & 8, introduce an additional change that was not part of the direction of the Regulator. This direction was made following a full impact assessment on the basis of a single band. The distortive effect of introducing additional bands would cause further deviation from objective (a), where costs levied on certain users would be a very significant additional burden and would be likely to lead to inefficient disconnections.
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CMP340 - Standard Code Administrator Consultation questions

1	Do you believe that the CMP340 Original solution, WACM1 or WACM2 better facilitates the Applicable CUSC Objectives?	No view
2	Do you support the proposed implementation approach for CMP340?	N/A
3	Do you have any other comments for CMP340?	N/A