

Workgroup Consultation Response Proforma**CMP361 & CMP362: BSUoS Reform: Introduction of an ex ante fixed BSUoS tariff & Consequential Definition Updates**

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 24 September 2021**. 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 Jennifer Groome Jennifer.Groome@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Janet Mason
Company name:	Shell Energy UK Limited
Email address:	janet.mason@shellenergy.co.uk
Phone number:	Click or tap here to enter text.

I wish my response to be:

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel, the Workgroup or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

CMP361**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; and*

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

CMP362

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

CMP361 Standard Workgroup Consultation questions			
1	Do you believe that the CMP361 Original Proposal better facilitates the Applicable Objectives?	<input type="checkbox"/> Yes, it better facilitates objectives: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E	<input type="checkbox"/> No, it has a negative effect on objectives: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E
Click or tap here to enter text.			
2	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Click or tap here to enter text.			
3	Do you have any other comments?	Click or tap here to enter text.	
4	Do you wish to raise a Workgroup	<input type="checkbox"/> Yes <input type="checkbox"/> No	

	Consultation Alternative Request for the Workgroup to consider?	Click or tap here to enter text.
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CMP362 Standard Workgroup Consultation questions

5	Do you believe that the CMP362 Original Proposal better facilitates the Applicable Objectives?	<input type="checkbox"/> Yes, it better facilitates objectives: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D	<input type="checkbox"/> No, it has a negative effect on objectives: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		Click or tap here to enter text.	
6	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.	
7	Do you have any other comments?	Click or tap here to enter text.	
8	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.	

CMP361 & CMP362 Modification Specific Workgroup Consultation questions

9	The Original solution has 3 months' notice and 12 months fixed, what would your preferred combination of notice period and fixed period be? Please provide your justification.	<input type="checkbox"/> 3-month notice period and 12-month fixed period <input type="checkbox"/> 9-month notice period and 6-month fixed period <input checked="" type="checkbox"/> 12-month notice period and 3-month fixed period <input type="checkbox"/> Other (please describe below)	
		Shell Energy UK Limited considers that any of the proposed solutions is an improvement on status quo. However, the alternative solution of 12-month notice period and 3-month fixed period offers the most comprehensive forward view of BSUoS costs which helps mitigate levels of risk premia built into suppliers' offers to customers.	
10	Do you support the use of an industry-funded BSUoS Fund	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other / Don't know	

	to reduce the probability of re-setting tariffs?	Click or tap here to enter text.	
11	What would the appropriate balance be between the level of the BSUoS Fund requirement, and the probability of tariffs being reset within the fixed period due to under recovery (in the Original solution is this set at P99 – see table on pages 15-16)?	<input type="checkbox"/> P99 <input type="checkbox"/> P95 <input type="checkbox"/> P90 <input type="checkbox"/> P77	<input type="checkbox"/> P75 <input type="checkbox"/> P65 <input type="checkbox"/> P50 <input type="checkbox"/> Other / Don't know
		Click or tap here to enter text.	
12	Do you agree with the proposed approach to recover half of the BSUoS Fund in the first financial year and the rest in the second financial year?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other / Don't know	
		Click or tap here to enter text.	
13	Do you agree with the proposed data transparency approach set out in the Workgroup consultation?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other / Don't know	
		Click or tap here to enter text.	