

Code Administrator Consultation Response Proforma**CMP389: Transmission Demand Residual (TDR) band boundaries 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 13 June 2022**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

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

Respondent details	Please enter your details
Respondent name:	Daniel Parry
Company name:	Shell Energy UK Limited
Email address:	daniel.parry@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 or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

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 *; 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).*

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

Standard Code Administrator Consultation questions								
1	Do you believe that the CMP389 Original Proposal better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe the Original solution better facilitates:</p> <table border="1"> <tr> <td>Original</td> <td><input type="checkbox"/>A</td> <td><input type="checkbox"/>B</td> <td><input type="checkbox"/>C</td> <td><input type="checkbox"/>D</td> <td><input checked="" type="checkbox"/>E</td> </tr> </table> <p>Shell Energy UK Limited (SEUK) believes that the CMP389 Original Proposal successfully addresses the identified issue of clustering at the threshold of Bands 3 and 4 noted in Ofgem's decision to approve CMP343 (Transmission Demand Residual Bandings).</p> <p>We consider this Proposal and its supporting analysis offer a more equitable determination of bandings based on electricity final demand consumption.</p> <p>SEUK also agrees with the assessment that moving the threshold between Bands 3 and 4 higher than the proposed 93rd percentile could jeopardise the confidentiality of Use of System costs borne by the few remaining sites in Band 4.</p>	Original	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input checked="" type="checkbox"/> E
Original	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input checked="" type="checkbox"/> E			
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>In light of ongoing electricity price volatility, SEUK strongly supports the preferred option in the Original Proposal that a decision on CMP389 be made by 01 October 2022, which would enable these changes to be reflected in the draft tariffs for April 2023. Also, this would afford the impacted transmission-connected sites in Bands 3 and 4 at least six months of certainty of the fixed transmission residual band to include in their forecast energy cost stack for the year starting 01 April 2023.</p>						
3	Do you have any other comments?	SEUK asks that any decision on CMP389 be made concurrently with a decision on CMP388.						