

**Workgroup Consultation Response Proforma****CMP363: 'TNUoS Demand Residual charges for transmission connected sites with a mix of Final and non-Final Demand & Definition changes for CMP363'****CMP364: Definition changes for CMP363**

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 1 June 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 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
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**CMP363 - 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*
- 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).*

**CMP364 - 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.**

**CMP363**

Standard Workgroup Consultation questions – CMP363		
1	Do you believe that the CMP363 Original Proposal better facilitates the Applicable Objectives?	<p>Yes, against objectives a) and c)</p> <p>The modification provides clarity on how complicated sites will be charged, removing potential confusion for suppliers.</p> <p>It reflects the Authority's decision on the most appropriate path to recover transmission costs and therefore is positive against ACO c).</p>
2	Do you support the proposed implementation approach?	Yes
3	Do you have any other comments?	Click or tap here to enter text.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	Click or tap here to enter text.

**CMP364**

Standard Workgroup Consultation questions – CMP364		
1	Do you believe that the CMP364 Original Proposal better facilitates the Applicable Objectives?	Yes. The modification is necessary to implement the solution to CMP364, which is positive against ACOs a) and c).  CMP364 is therefore also positive against those objectives.
2	Do you support the proposed implementation approach?	Yes
3	Do you have any other comments?	Click or tap here to enter text.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	Click or tap here to enter text.

**CMP363 and CMP364 Specific questions**

Modification Specific Workgroup Consultation questions		
5	The Workgroup does not believe there are any Grid Code or BSC requirements that would prohibit the CMP363/364 Original Proposal. Do you agree or do you believe that any other consequential code changes are required to facilitate this change? Please provide the rationale for your response.	No.  It is possible that the metering solutions onsite that differentiate the Final/Non-Final demand are not standard with regards to the Grid Code or BSC, but they will be compliant with the Codes as necessary.
6	The Workgroup has assessed the practicalities of the proposed solution against a number of	The scenarios provided are sufficient. It is possible that real world sites may be combinations of these scenarios, for instance two sources of demand in series within an unlicensed network, and the

	different scenarios, which are represented diagrammatically in Annex 4. Do you agree with the Workgroup's initial assessment and do you believe there are any other scenarios that need to be tested?	scenarios in that case will be able to explain how the charge would be applied in practice.
7	Do you believe that the Metering should be Settlement Metering (as per the Original proposal) or Operational Metering? Please provide the rationale for your response including if possible, any implementation costs.	<p>We believe the metering should be operational meeting. It is likely that only sites with significant non-final demand (e.g. more than 10% of the boundary point demand is demand) and/or those close to lower point of a transmission band will see any benefit to declaring and providing the metering diagram. All sites will have suitable operational metering in order to separate types of demand, but not all sites will have settlement metering, or may have a mix. It seems inappropriate to ask consumers to change their metering arrangements for a charge that is meant to be cost recovery. Requiring changes in metering arrangements, and possible commercial contracts within complicated sites, will disincentivise consumers to declare, especially if they do not believe their demand is 'close' to the bottom of a band. While the ESO would need to undertake some system changes to accommodate operational metering, it seems inappropriate to ask consumers to metering arrangements that the ESO would have no reason to interact with, other than this charge. I do not consider losses behind the boundary point to constitute a material issue: Even with 4 transmission bands, the annual consumption range across a band is quite wide (over 50GWh/yr) and it seems reasonable to assume that a "site" is physically small area, so losses over distance will be minimal.</p>
8	The Proposer has noted that the definition of Declaration does not need to change. Do you agree? Please provide the rationale for your response.	The definition does not need to change. The focus on this modification should be to produce a declaration and process that functions for TNUoS. A declaration for BSUoS is not within scope of this modification.

9	The Proposer has set out what they believe should be contained in any Declaration. Do you agree? Please provide the rationale for your response.	I do, although the ESO should be able to query a declaration if the metering diagram is not suitably detailed/believed to be accurate.
10	Will the CMP363 and/or CMP364 Original Proposal impact your business. If so, how?	Please see our confidential response.