

NESO
National Energy
System Operator

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TNUoS and BSUoS CVA Facility Declarations

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Of Relevance To: Operators facilities with 'non-final' demand

Background

Since May 2020, Ofgem have approved a number of CUSC modifications (CMP281¹, CMP319², CMP334³ and CMP308⁴) which required the creation of a 'declaration process' to remove certain types of site from BSUoS charges and/or TNUoS residual charges.

The CMP281 solution (in conjunction with CMP319) introduces a methodology into the CUSC to remove BSUoS charges from imported volumes to eligible storage facilities. This is achieved via a self-declaration by the Storage Facility Operator to ensure exemption from paying BSUoS on their imported volumes.

CMP334 was raised after Ofgem's decision on the Targeted Charging Review and was approved in December 2020. This modification created the definition of a 'Final Demand Site' who would be liable for TNUoS demand residual charges; 'Non-Final Demand Sites' were also able to avoid these if they submitted a declaration.

CMP308 introduces a methodology into the CUSC to remove BSUoS charges from imported volumes to non-final demand. As per CMP281, to be considered non-final demand requires a self-declaration by the Facility Operator to ensure exemption from paying BSUoS on their imported volumes. CMP308 supersedes CMP281 as storage is included as non-final demand. Any declarations submitted under CMP281 hold as valid under CMP308.

This guidance note explains how to submit a declaration to NESO and what happens following submission of a declaration.

What is a 'Non-Final Demand Site', what is 'Final Demand' and why does this matter?

Full definitions can be found in CUSC Section 11.3⁵, however in summary a 'Non-Final Demand Site' is a facility which either;

- a) undertakes electricity generation and/or storage, or
- b) only provides 'Eligible Services' to National Energy System Operator.

This means that Storage is a type of 'Non-Final Demand'. 'Final Demand' is defined as "electricity which is consumed other than for the purposes of generation or export onto the electricity network". If your site contains any Final Demand, it will be liable for TNUoS and BSUoS; it is assumed all sites contain Final Demand (and so liable for charges) unless a declaration is provided.

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¹ https://www.neso.energy/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp280-creation

² https://www.neso.energy/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp319

https://www.neso.energy/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp334

⁴ https://www.neso.energy/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp308-removal

https://www.neso.energy/industry-information/codes/connection-and-use-system-code-cusc/code-documents





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How are TNUoS & BSUoS charges calculated?

Guidance on charging can be found here: https://www.neso.energy/industry-information/charging-documentation

I have been charged but have now submitted a declaration - do I receive a refund?

The effective date for Non-Final demand site will be set to the day the declaration is accepted by the NESO. As per CUSC section 11.3 a declaration received by the NESO will either be accepted or rejected within three Business Days.

My site has a combination of Non-Final and Final Demand (i.e. a 'Mixed Use Site'), how does this affect things?

If a BMU only uses Electricity for the purpose of Generating or storing electricity, then the BMU at the Mixed use site, can be declared as Non-final Demand. If a BMU has any element of consumption that is not for the purpose of generation, storage or export onto the electricity network, then all consumption associated with that BMU is considered Final Demand.

My site is a dedicated generator/storage facility, do I have to provide a declaration?

Whilst provision of a declaration is optional, without one your site will be assumed to be Final Demand and so be liable for BSUoS and TNUoS charges. The provision of a declaration confirming your site is a dedicated generator/storage facility will ensure your site is treated as not having any Final Demand.

My site is classified as storage but is an eligible services facility, how should I provide a declaration?

If your site is both storage and an eligible services facility, you only need to declare once. A declaration for either of those options is acceptable provided it can be validated. It is also worth considering the potential future changes on that site when deciding how to declare e.g. if a battery were to be added to the site a storage declaration wouldn't need to be changed whereas an eligible services facility declaration would need to be updated.



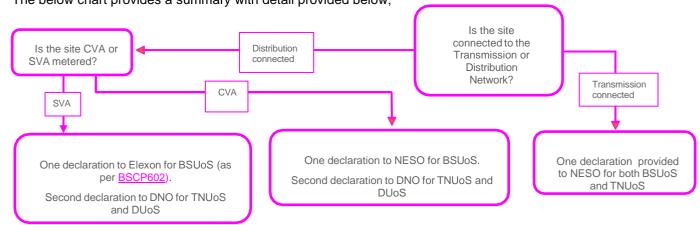




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How do I provide a declaration?

The declarations that need to be provided vary by what network the site is connected to and how it is metered. The below chart provides a summary with detail provided below;



SVA metered facilities

For Supplier Volume Allocation (SVA) metered facilities, two declarations need to be submitted by you or on your behalf by your Supplier.

For BSUoS, the declaration is submitted to ELEXON under BSCP602. ELEXON then adjusts the volume data to remove import volumes and submits this to the NESO which uses the data to calculate Suppliers' BSUoS charges. More information about how to submit a storage declaration on behalf of an SVA metered storage facility can be found on ELEXON's website - https://www.elexon.co.uk/csd/bscp602/.

For TNUoS, the declaration is submitted to the relevant Distribution Network Operator (DNO). The DNO will then update their systems to reflect this in DUoS billing and the data they submit to National Energy System Operator, which is used as the basis or TNUoS billing. More information about how to submit a declaration to a DNO can be found in Section 5 of DCUSA Schedule 32 for existing sites or as part of the connections process for new sites.

CVA metered facilities

For transmission connected Central Volume Allocation (CVA) metered facilities, a single declaration needs to be submitted directly to the NESO by the site registrant or the site's Supplier. The annex of this document contains a declaration template that can be used to confirm the facility meets the definition of a "Non-Final Demand Site" as defined in Section 11 of the CUSC and must be signed by a company director. A template to submit further information about the Balancing Mechanism Unit/s (BMU) to which the declaration pertains is also in the annex. Completed declarations with associated annexes must be returned to NESO to the following email addresses BSUoS.queries@neso.energy and TNUoS.Queries@neso.energy.

For distribution connected Central Volume Allocation (CVA) metered facilities, two declarations are needed, one for BSUoS and another for TNUoS. For BSUoS, the process described above for transmission connected CVA sites can be followed. For TNUoS, please submit a declaration to the relevant DNO using the same process as SVA sites (described above).







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How long are declarations valid for?

Declarations (once deemed to be effective) are valid in perpetuity, however it is the responsibility of the site to inform NESO, Elexon and/or DNOs if the site configuration changes in such a way that the declaration is no longer accurate. If this should happen, a new declaration is to be provided using the same processes described above. Any inaccurate declarations will be deemed to be invalid and TNUoS and/or BSUoS charges will be applied.

Who can send a declaration and how is it signed?

The declaration will need to be signed by a company director who is listed on Companies House as a director at the time the declaration is submitted. There are a few options of how the declaration can be signed;

- 1. can be a 'wet' signature (i.e., physically signed with a pen),
- 2. a digital signature pasted into the declaration (i.e., we will not accept separate files for the declaration and signature),
- 3. or if no signature is possible, we will accept an unsigned declaration if it is sent directly from the director's email account.

What happens next?

Following receipt of a declaration by the NESO revenue team, they will respond within 3 working days with an acknowledgement of receipt and an effective from date after which the declaration will come into force. Note that NESO reserves the right to determine the validity of a CVA Declaration submitted to it in accordance with Section 11 of the CUSC.



CVA Declaration Form



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