



Please use this Pro-Forma when responding to the Interim Report and Consultation of the second Balancing Services Charges Task Force.

The Taskforce will take all responses into its consideration when producing the final report. When providing a response please supply a rationale, particularly in respect of any specific questions detailed below.

Please send your responses to [chargingfutures@nationalgrideso.com](mailto:chargingfutures@nationalgrideso.com) by 5pm on **26 August 2020**. Please note that any responses received after the deadline or sent to a different email address may not be taken into account by the Taskforce.

If you have any queries on the content of this consultation, please contact us at [chargingfutures@nationalgrid.com](mailto:chargingfutures@nationalgrid.com).

Question	Response
1. Do you agree with the Task Force's recommendations on who should pay Balancing Services Charges (Deliverable 1)? Please state your reasoning and evidence behind your answer.	The ADE recognises that the taskforce could not undertake a detailed impact assessment into the impacts of moving BSUoS to final demand. This said, the ADE considers that the taskforce has not been able to show fully that shifting BSUoS to final demand would be of net benefit to consumers. Until this is shown, a final decision on moving it to final demand should not be taken.
2. The Task Force have discussed how the recommendation on Deliverable 1) for Final Demand only to pay Balancing Services Charges could impact on large energy	Particularly in the context of previous changes from the Targeted Charging Review, the ADE considers that there is a not insignificant risk of grid defection from this further increase in charges on large users.

users and the potential for 'grid defection'. Do you think 'grid defection' is a possibility and to what extent would the Task Force's recommendations impact on your answer?	
3. Do you agree with the Task Force's recommendations that an ex ante fixed charge would deliver overall industry benefits? Please state your reasoning and evidence behind your answer.	The ADE supports BSUoS becoming a fixed ex ante charge as this will provide greater certainty to businesses and pass greater cash flow risk to the ESO who are better placed to manage it.
4. How long do you think the fixed period should be and what in your opinion is the optimal notice period in advance of the fixed charge coming into effect? Please state your reasoning and evidence behind your answer.	The ADE would propose 9 months' notice for a 6 months fixed charge.
5. Which approach discussed by the Task Force (TDR banded £/site/day or volumetric £/MWh) do you feel is most appropriate for Balancing Services Charges? Please consider your answer against the TCR principles and state your reasoning and evidence to support your answer.	<p>The ADE supports BSUoS remaining a volumetric £/MWh charge.</p> <p>This would reduce Time of Day distortions, would maintain the link with power flows and is a simple and proportionate approach. It also avoids the boundary issues that would happen if a site/day with banding were chosen.</p>
6. The Task Force noted limitations of the approaches covered in Q5, what other methodologies or improvements to the ones in Q5 could you recommend to tackle them? Please consider your answer against the TCR	The ADE has no comment.

principles and state your reasoning and evidence to support your answer.	
7. Is 2years' notice of the changes prior to an implementation date appropriate? Please state your reasoning and evidence behind your answer.	The ADE supports 2 years' notice before the changes are implemented as this will cover the majority of power trading and could also then nicely dovetail with the Access changes in April 2023.
8. Should the Task Force consider any interim measures? Please provide details of any suggested interim solution including how it may deliver benefits to consumers or help to mitigate specific challenges facing market participants, whilst limiting any windfall gains or losses between industry participants.	The ADE does not support interim measures.
9. Do you feel that there any interactions with the Supplier Price Cap that need to be considered? Please state your reasoning and evidence behind your answer.	The ADE has no comment.
10. The Task Force's initial recommendation is that Final Demand only will pay BSUoS. If this is the case, is the current RCRC mechanism is still appropriate? Please state your reasoning and evidence behind your answer.	The ADE has no comment.
11. Is there anything further you think the Task Force needs to consider?	The ADE has no comment.
12. Please use this box to add any further comments that you may have	The ADE has no comment.