

Workgroup Consultation Response Proforma**CMP425: Billing Demand Transmission Residual By Site**

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 **15 November 2023**. 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 Milly Lewis Milly.Lewis@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Grace March	
Company name:	Sembcorp Energy	
Email address:	Grace.march@sembcorp.com	
Phone number:	07554438689	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network <input type="checkbox"/> Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input checked="" type="checkbox"/> Storage <input checked="" type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

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;*

- 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.*

**The Electricity Regulation referred to in objective (d) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.*

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

Standard Workgroup Consultation questions				
1	Do you believe that the Original Proposal better facilitate the Applicable Objectives?	<p>Mark the Objectives which you believe each solution better facilitates:</p> <p>Original <input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D <input type="checkbox"/>E</p> <p>The intent of the TDR as described by Ofgem was clearly a charge 'by site' and separated from consumption to avoid sending an operational signal.</p> <p>Where the total volume is split between suppliers, there will be less paid by the customers on-site than a site with a single supplier, even though impacts on the system (which the banding is meant to account for) is the same. For instance, take a site with a single supplier within Band Two. If an <i>identical</i> site has two suppliers and is treated as a Band 2 and a Band 1 site or two Band 1 sites, that will be a greater invoice overall. The suppliers' portfolios pay more than the comparable section of the single supplier's portfolio.</p> <p>The current baseline system, which charges by supplier, disincentivises choosing different suppliers and the Mod better facilitates ASO (a). The number of suppliers does not affect the physical network and therefore should have no cost impact to the User. The modification is therefore positive against ACO (b).</p>		
2	Do you support the proposed implementation approach, notably the date?	<table border="1"> <tr> <td> <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No </td> <td> <input type="checkbox"/>Implement ASAP <input checked="" type="checkbox"/>Implement 2025 <input type="checkbox"/>No preference </td> </tr> </table> <p>We understand from the proposer that a timely decision will satisfy the requirements for an investment decision. Given the amount of change within charging going on, it would be most cost-effective and efficient for the ESO to have a longer time (within reason) to affect a full solution.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Implement ASAP <input checked="" type="checkbox"/> Implement 2025 <input type="checkbox"/> No preference
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Implement ASAP <input checked="" type="checkbox"/> Implement 2025 <input type="checkbox"/> No preference			
3	Do you have any other comments, including	Click or tap here to enter text.		

	any learnings from similar issues?	
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>We initially considered that the codification of how the single charge per site should be charged to be unsuitable. Where other shared-metering arrangements are in place, there is usually arrangements between the parties that do not require the resources of the ESO. Codifying the split between suppliers may recreate a barrier should another site with multiple suppliers wish to have a different arrangement. However, we agree with the Proposer that this situation is unusual, clarity on the solution is necessary under Urgent timescale and there is no barrier to other parties either a) raising a modification under the normal timescale which could present a more flexible solution or b) coming to a commercial arrangement 'after' the suppliers have been charged by the ESO in accordance with the Mod. We therefore will not be raising a request.</p>
5	Do you consider your organisation to be impacted by this modification?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Sembcorp Energy is the parent company of the supplier at Wilton International, Wilton Energy Limited. Should customers choose to exercise their right to Third Party Access, this modification would provide the 'default option' for charging the TDR.</p>