

Code Administrator 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 29 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 Ren Walker lurrentia.walker@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Martin Cahill	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input checked="" 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);*

- c. *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 Code Administrator Consultation questions		
1	Please provide your assessment for the proposed solution against the Applicable Objectives?	Mark the Objectives which you believe the proposed solution better facilitates:
		Original <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input checked="" type="checkbox"/> E
		<p>We previously raised a risk with the workgroup around the potential for this modification to encourage the formation of larger private networks to reduce TDR costs. Other members did not agree, noting that this already exists in the current arrangements through behind the meter connections and larger networks with a single supplier. We since considered this further and believe it could be a material risk, though not one that can be quantified well at this stage as to the possible future growth that could occur in such arrangements or their impact on the TNUoS charges to other users.</p> <p>In our response to Ofgem's open letter we intend to outline concerns about transmission connected IDNOs making use of the self-supply exemption to reduce network charges for demand sites, and are conscious of parallels here.</p> <p>To be clear, we do not see any issue with the setup proposed by Nissan and AESC UK, and are only concerned about a precedent encouraging the formation of other larger private networks that could allow connected demand sites to avoid site-by-site TDR charges (as appropriate to their band) that they would normally expect to pay if they were directly-connected demand to the usual host onshore TO (NGET, SPTL or SHETL). We also recognise that this is an urgent</p>

		<p>modification. As such we support on the basis of the proposer's site and situation, noting potential concerns. The reasons listed above are why we have a neutral position for applicable objectives A and B and are unsure if the change could have negative impacts longer term. Applicable Objective E is positive as there is a lack of clarity in the CUSC currently which would be addressed by this modification.</p>
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>ESO Support an implementation of 2025. This will ensure that systems can be set up to automate the process and reduce the risk of any errors. We have not yet seen evidence of any customers who wish to benefit from an earlier implementation.</p>
3	Do you have any other comments?	<p>As stated above, we support the proposed charging setup for the specific site and situation of the proposer. However we are unsure of the longer term precedent that could be set by the modification, and it is possible that the charging methodology for Private Network sites may have to be revisited in the future.</p>