Workgroup Consultation Response Proforma

**CMP440: Re-introduction of Demand TNUoS locational signals by removal of the zero-price floor​**

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@neso.energy](mailto:cusc.team@neso.energy) by **5pm** on **31 July 2025**. 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 [Robert.hughes3@neso.energy](mailto:Robert.hughes3@neso.energy) or [cusc.team@neso.energy](mailto:cusc.team@neso.energy)

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| --- | --- | --- |
| **Respondent details** | **Please enter your details** | |
| **Respondent name:** | Click or tap here to enter text. | |
| **Company name:** | Click or tap here to enter text. | |
| **Email address:** | Click or tap here to enter text. | |
| **Phone number:** | Click or tap here to enter text. | |
| **Which best describes your organisation?** | Consumer body  Demand  Distribution Network Operator  Generator  Industry body  Interconnector | Storage  Supplier  System Operator  Transmission Owner  Virtual Lead Party  Other |

**I wish my response to be:**

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| --- | --- |
| (Please mark the relevant box) | Non-Confidential *(this will be shared with industry and the Panel for further consideration)* |
|  | **Confidential** (this *will be disclosed to the Authority in full but, unless specified, will not be shared with the Workgroup, Panel or the industry for further consideration)* |

**For reference the Applicable CUSC (charging) Objectives are:**

1. *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;*
2. *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 C11 requirements of a connect and manage connection);*
3. *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 and the ISOP business\*;*
4. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency \*\*; and*
5. *Promoting efficiency in the implementation and administration of the system charging methodology.*

*\* See Electricity System Operator Licence*

*\*\*The Electricity Regulation referred to in objective (g) 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.*

*Means the Use of System Charging Objectives, as if references therein to the Use of System Charging Methodology were to the Connection Charging Methodology and in addition, the objective (where consistent with the other objectives) of facilitating competition in the carrying out of works for connection to the National Electricity Transmission System.*

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| **What is the EBR?** |
| The Electricity Balancing Regulation (EBR) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.  The EBR regulation lays down the rules for the integration of balancing markets in Europe, with the objectives of enhancing Europe’s security of supply. The EBR aims to do this through harmonisation of electricity balancing rules and facilitating the exchange of balancing resources between European Transmission System Operators (TSOs). Article 18 of the EBR states that TSOs such as the NESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem. |

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

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| **Standard Workgroup Consultation questions** | | | |
| 1 | Do you believe that the Original Proposal better facilitates the Applicable Objectives versus the current baseline? | Mark the Objectives which you believe the Original Solution better facilitates than the current baseline: | |
| Original | (d) (e) (f) (g) (h)  None |
| Click or tap here to enter text. | |
| 2 | Do you support the proposed implementation approach? | Yes  No | |
| Click or tap here to enter text. | |
| 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? | Yes (the request form can be found in the [Workgroup Consultation](https://www.neso.energy/industry-information/codes/cusc/modifications/cmp440-re-introduction-demand-tnuos-locational-signals-removal-zero-price-floor) Section)  No | |
| Click or tap here to enter text. | |
| 5 | Does the draft legal text satisfy the intent of the modification? | Yes  No | |
| Click or tap here to enter text. | |
| 6 | Do you agree with the Workgroup’s assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code? | Yes  No | |
| Click or tap here to enter text. | |

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| **Specific Workgroup Consultation questions** | | |
| 7 | Do you agree that in negative price zones that the peak tariff element should be charged 4-7 pm all year? Should the year-round tariff be charged 4-7 all year or 24/7 all year round? Or do you believe that there is a different basis for doing this? | Yes  No |
| Click or tap here to enter text. |
| 8 | How negative can TNUoS charges be (in p/kWh) before they create a perverse incentive for users to consume, taking into account all other electricity costs? i.e. Is the charging period 4-7pm all year a sufficient duration over which to spread negative TNUoS charges? | Yes  No |
| Click or tap here to enter text. |
| 9 | Do you agree that the best approach is to use average consumer profiles to derive p/kWh negative TNUoS tariffs for demand, rather than a conservative approach to the locational incentive which assumes that consumption during the charging period is the same as at triad? | Yes  No |
| Click or tap here to enter text. |
| 10 | Should the charging periods in positive charging zones remain the same as the Baseline or be consistent with those proposed for negative charging zones? | Yes  No |
| Click or tap here to enter text. |
| 11 | What is your opinion regarding the scope of the modification proposal i.e. that there should be no change to the baseline basis of recovery of demand locationals for non-final demand? | Yes  No |
| Click or tap here to enter text. |
| 12 | Do you consider that the Workgroup Alternative Request described in this report has merit? If you do, please set out why believe this is the case. Please offer any views you may have on the other further ideas discussed at the Workgroup, if you wish. | Yes  No |
| Click or tap here to enter text. |