

CUSC Workgroup Consultation Response Proforma**CMP334: Transmission Demand Residual – consequential definition changes (TCR)**

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 April 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation please contact Paul Mullen at paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
Respondent name:	James Kerr
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For reference the applicable CUSC objectives are:

Relevant Objective
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.
*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

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

Standard Workgroup Consultation questions		
1	Do you believe that the CMP334 Original Proposal better facilitates the Applicable CUSC Objectives?	Yes.
2	Do you support the proposed implementation approach for CMP334?	Yes.
3	Do you have any other comments?	No.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No.
Specific CMP334 Workgroup Consultation questions		
5	Based on the mapping table in Annex 3, does the proposed CMP334 solution deliver Ofgem's TCR SCR Direction? Please identify any areas you believe need to be addressed?	Yes.
6	Do you agree with the proposed definition of "Single Site"? If not, why not.	Yes.
7	Do you agree with the proposed definition of "Final Demand Site"? If not, why not.	As per our response to DCP359, the rationale behind the TCR was to ensure that residual charges cannot be avoided. Any definition that defines a threshold would be open to potential gaming which will allow some users to avoid the residual charge, which would in turn increase

		<p>charges for other users/consumers. This is not the intention or the spirit of the TCR.</p> <p>We agree with the workgroup's proposed definition for Final Demand Sites.</p>
8.	<p>Do you believe the Certification process described in the legal text is fit for purpose? If not, why not?</p>	<p>Yes. However, we are uncertain as to how the process will be policed. For instance, will it be up to the ESO to establish whether users have submitted false declarations? This could be a loophole which some parties might exploit and game the system, which in turn will have consequential impacts for other users and consumers liable to pay for residual charges.</p>