

CUSC Code Administrator Consultation Response Proforma**CMP343 & CMP340 - Transmission Demand Bandings and allocation (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 **22 September 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

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

| Respondent details | Please enter your details |
|-------------------------|---------------------------|
| Respondent name: | Paul Bedford |
| Company name: | Opus Energy Ltd |
| Email address: | Paul.bedford@drax.com |
| Phone number: | 07917 864859 |

CMP343**For reference the applicable CUSC Charging objectives are:**

- a. *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;*
- b. *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. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 *; and*
- e. *Promoting efficiency in the implementation and administration of the use of system charging methodology.*

**Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

CMP340**For reference the applicable CUSC non-charging objectives are:**

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

| CMP343 - Standard Code Administrator Consultation questions | | |
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| 1 | Do you believe that the CMP343 Original solution, WACM1, WACM2, WACM3, WACM4, WACM5, WACM6, WACM7, WACM8 or WACM9 better facilitates the Applicable CUSC Charging Objectives? | <p>Yes, the CMP343 Original solution better facilitates the Applicable CUSC Charging Objectives compared to any of the Alternates.</p> <p>The Original is positive for ACO (a) because it promotes effective competition by ensuring that customers will no longer be able to avoid the costs of residual transmission charges. Positive with ACO (b) - that compliance with the use of system charging methodology results in charges which reflect the costs incurred by transmission licensees in their transmission businesses and positive with ACO (c) - the ESO has been directed to raise this modification and implement its effects by the Authority. We do not believe that any of the CMP343 proposed alternative solutions better facilitate the ACOs than the Original.</p> <p>WACM:1/2/7/8/9 – We are not supportive of these WACMs as they could be potentially distortive and provide an unintended signal to market participants to reconfigure assets in order to benefit from cheaper Annual Tariffs. This would not be in line with ACO (a), because it would not promote effective competition. We do recognise that there are arguments for multiple bands from a cost-reflective perspective. However, this could be something that is examined in the future but does not form part of this modification.</p> |

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| | | <p>WACM: 3/4/5 - If flooring was not applied, there would be a perverse incentive for Demand Users to consume at peak TRIAD periods which is against the intent of the Access and Forward Looking Charges Review.</p> <p>WACM 6 - We favour the Original Proposal over WACM 6, as we believe it to be a robust and less complex solution.</p> |
| 2 | Do you support the proposed implementation approach for CMP343? | Although we support this approach in general, given the impacts of COVID-19, we do have concerns regarding implementing the TCR in April 2022. Given the unforeseen and ongoing impacts of COVID-19, our business customers will find it difficult to manage TCR implications within these timescales and so we would recommend a TCR implementation date of April 2023. |
| 3 | Do you have any other comments for CMP343? | Not at this time. |

CMP340 - Standard Code Administrator Consultation questions

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| 1 | Do you believe that the CMP340 Original solution, WACM1 or WACM2 better facilitates the Applicable CUSC Objectives? | We support the CMP340 Original solution. Under the CMP340 Original solution, Applicable non-charging CUSC Objectives a) and d) are better facilitated as this modification adds/amends the necessary definitions into the CUSC. |
| 2 | Do you support the proposed implementation approach for CMP340? | Although we support this approach in general, given the impacts of COVID-19, we do have concerns regarding implementing the TCR in April 2022. Given the unforeseen and ongoing impacts of COVID-19, our business customers will find it difficult to manage TCR implications within these timescales and so we would strongly recommend a TCR implementation date of April 2023. |
| 3 | Do you have any other comments for CMP340? | Not at this time. |