

Workgroup Consultation Response Proforma**CMP363: 'TNUoS Demand Residual charges for transmission connected sites with a mix of Final and non-Final Demand & Definition changes for CMP363'****CMP364: Definition changes for CMP363**

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 1 June 2021**. 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 paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com

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CMP363 - 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; and*
- e. *Promoting efficiency in the implementation and administration of the 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).*

CMP364 - 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 regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

CMP363

Standard Workgroup Consultation questions – CMP363		
1	Do you believe that the CMP363 Original Proposal better facilitates the Applicable Objectives?	<p>Yes we believe the CMP363 Original Proposal better facilitates the Applicable CUSC Charging Objectives, specifically;</p> <ul style="list-style-type: none"> • Positive for objectives A and E as it provides clarity in the treatment of TNUoS charges in respect of more complicated sites to ensure a level playing field across these types of site. • Positive for objective C as it ensures NGESO are meeting their license conditions by following a Direction given by the Authority • Neutral for objectives B and D due to not impacting on these objectives
2	Do you support the proposed implementation approach?	<p>Yes, we support the proposed implementation date of aligning the delivery of CMP363/4 to the earlier of CMP308 or CMP343 – which we would expect to be April 2023 based on Ofgem's minded-to on CMP343. This is to ensure that this proposal is ready to be used by the CUSC modifications that may interact with the concept of Final Demand Sites. We also support seeking a decision from the Authority on the proposal as soon as possible so that industry has early certainty of these arrangements.</p>
3	Do you have any other comments?	Not at this time

4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	Not at this time
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CMP364

Standard Workgroup Consultation questions – CMP364		
1	Do you believe that the CMP364 Original Proposal better facilitates the Applicable Objectives?	<p>Yes we believe the CMP364 Original Proposal better facilitate the Applicable CUSC Non-Charging Objectives, specifically;</p> <ul style="list-style-type: none"> • Positive for objective A as it ensures NGESO are meeting their license conditions by following a direction by the Authority • Positive for objectives B and D as it provides clarity in the treatment of TNUoS charges in respect of more complicated sites to ensure a level playing field across these types of site. • Neutral for objectives C due to not impacting on these objectives
2	Do you support the proposed implementation approach?	<p>Yes, we support the proposed implementation date of aligning the delivery of CMP363/4 to the earlier of CMP308 or CMP343 – which we would expect to be April 2023 based on Ofgem's minded-to on CMP343. This is to ensure that this proposal is ready to be used by the CUSC modifications that may interact with the concept of Final Demand Sites. We also support seeking a decision from the Authority on the proposal as soon as possible so that industry has early certainty of these arrangements.</p>
3	Do you have any other comments?	Not at this time
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	Not at this time

CMP363 and CMP364 Specific questions

Modification Specific Workgroup Consultation questions		
5	The Workgroup does not believe there are any Grid Code or BSC requirements that would prohibit the CMP363/364 Original Proposal. Do you agree or do you believe that any other consequential code changes are required to facilitate this change? Please provide the rationale for your response.	<p>We do not believe there are any Grid Code or BSC requirements that would prohibit the proposal.</p> <p>In respect of Settlement Metering, we believe the provisions of the BSC are already flexible enough (through non-standard BMU registration and/or derogations granted by the BSC panel) to allow this to happen, however there is currently little need to do so.</p> <p>In respect of Operational Metering, as long as the requirements of the Grid Code continue to be met by the site (which they should be given this is likely to result in additional metering), then using this metering for an additional purpose does not create any regulatory concerns.</p> <p>Finally, in terms of other consequential code changes that could be raised to facilitate these mods; we believe there may be need to standardise and harmonise metering requirements and data flows once other significant industry changes are more clearly defined (e.g. Market Wide Half Hourly Settlement and other Significant Coded Reviews). We believe P419 is a starting point for this but is very focussed/limited compared to a broader review.</p>
6	The Workgroup has assessed the practicalities of the proposed solution against a number of different scenarios, which are represented diagrammatically in Annex 4. Do you agree with the Workgroup's initial assessment and do you believe there are any other scenarios that need to be tested?	As far as we are aware, these scenarios (when combined) will cover all the known combinations of complicated site.
7	Do you believe that the Metering should be Settlement Metering (as per the Original proposal) or Operational Metering?	<p>We believe the metering should be based on Settlement Metering for the following reasons</p> <p>Utilisation of existing processes Meter creation/registration processes and data flows are already established and well understood for</p>

<p>Please provide the rationale for your response including if possible, any implementation costs.</p>	<p>Settlement Metering and so this solution is easier to implement compared to Operational Metering. Whilst processes do exist for modifying Operational Metering, they are slow and cumbersome in comparison as they are infrequently used. As an example, the estimated lead time from request to activation of an Operational Meter is expected to be 12-18 months because it uses the connection process to trigger these works and this process is designed to contractualise delivery of significant engineering works.</p> <ul style="list-style-type: none"> • 3 months for a construction agreement and revised connection agreement to be provided for the necessary works • Up to 3 months for the connectee sign the agreements after reviewing. • 9 to 12 months for the SCADA works to be completed. <p>Data Transparency</p> <p>With Operational Metering, the data will only be available to the customer, Transmission Owner and NGESO whilst Settlement Metering will be as visible to industry as per existing BMU data (e.g. reported on Balancing Mechanism Reporting Service). This greater transparency of data could allow sites greater access to the market (e.g. more competitive commercial arrangements) and more innovation. Conversely (as this proposal is 'opt in') sites that didn't want this data to be visible do not have to participate but at the cost of potentially higher TNUoS network charges – this will be a commercial decision for the site to make.</p> <p>Future Opportunities</p> <p>Operational Metering data will limit future opportunities for harmonisation and centralisation of industry data (and so future efficiency) compared to using Settlement Metering. With Ofgem's approval of P375, 'behind the meter' data for DNO connected sites will be available to Elexon and this may be further enhanced by DCP388; using Operational Metering for this proposal would mean these meters are the only meters that wouldn't be visible to Elexon in some form. Settlement Data would also provide more information on 'behind the meter'</p>
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		arrangements to help shape policy development in future.
8	The Proposer has noted that the definition of Declaration does not need to change. Do you agree? Please provide the rationale for your response.	Whilst we do not believe the definition of Declaration needs to change at this time (pending feedback from this consultation and further workgroup discussions), the definitions of CVA and SVA Storage Facility needs to be revised to remove the requirement of needing a generation license.
9	The Proposer has set out what they believe should be contained in any Declaration. Do you agree? Please provide the rationale for your response.	Whilst the development of the Declaration proforma is still underway, we believe the information stated in the consultation would be the minimum that is required. Additional information may be useful for NGESO but the ambition is to make the Declaration proforma as easy as possible to complete.
10	Will the CMP363 and/or CMP364 Original Proposal impact your business. If so, how?	<p>Yes, we expect this additional metering data will be considered when establishing TNUoS tariffs annually, bands for each price control and allocating sites to bands. We will also need an enhanced declaration process to manage the more complex nature of the declarations.</p> <p>Should Operational Metering be used as the means to provide data, we expect the following additional impacts;</p> <ul style="list-style-type: none"> • Several new requests to change SCADA systems (and associated contract changes). • Additional manual work to configure control room systems to receive data for purposes not needed by NGESO for system operation. • A new, manual processes to retrieve data from existing systems and process this data for use. Given the expected frequency that this data will be required, we do not believe it is feasible to modify control room systems or billing systems to automate this solution.