



Sites with Final and Non-Final Demand (CMP363/4)

Ofgem's CMP334 Decision & Proposal Scope

- Following Ofgem's TCR decision ([link](#)), NGESO raised CMP334 to define what a 'Final Demand Site' is. These Sites would be liable for TNUoS Demand Residual charges whilst 'Non-Final Demand Sites' wouldn't.
- Ofgem approved CMP334 ([link](#)) on 30th November 2020 however as part of their decision, expected NGESO to undertake further work on Private Wires & Complex Sites with a further modification to be raised & implemented by April 2022
- No formal industry definition of what a 'Private Wire' or 'Complex Site' is so working off a broad description of 'complicated sites' to develop principles to test.
- Not looking to change definition of what a 'Final Demand Site' is unless necessary.

Proposed solution

We believe it would be beneficial to explicitly state;

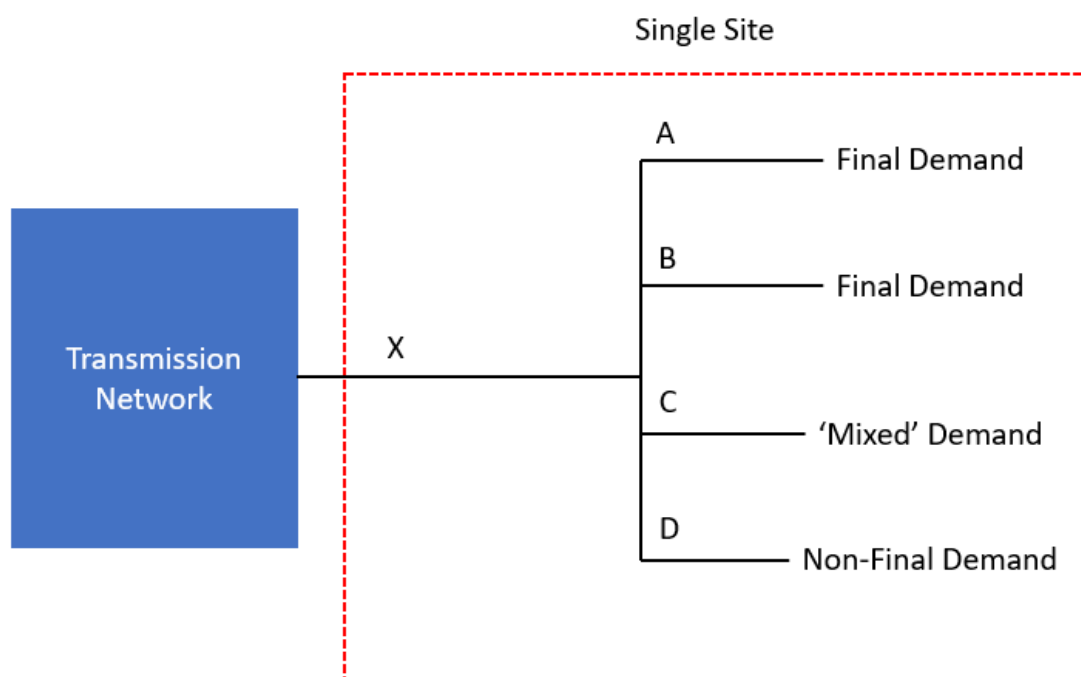
- Formally confirm sites with 'Mixed Demand' (i.e. combination of Final and Non-Final Demand) would be liable for the residual charges
- Confirm Final Demand Sites will be allocated to a Charging Band based on their combined Final and Mixed Demand (i.e. exclude only 'pure' Non-Final Demand).
- Clarify in the methodology that metering can be used to identify and separate 'pure' Non-Final Demand volumes from the volumes used for allocating a site to bands (if more than 1 band exists at transmission as per CMP343 WACMs).

This modification is only targeting Transmission connected sites, DCUSA arrangements will apply for distribution connected sites.

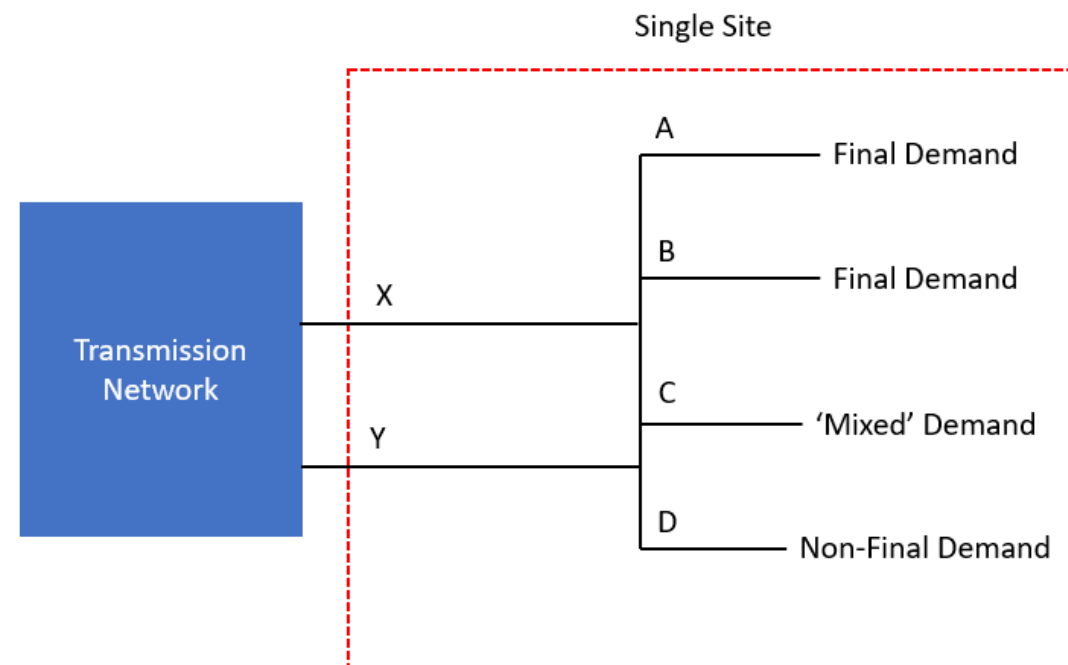
Example site configurations to test (1)

We expect the Workgroup to identify other configurations to test the solution against.

1. Single Site with combination of Final and non-Final Demand



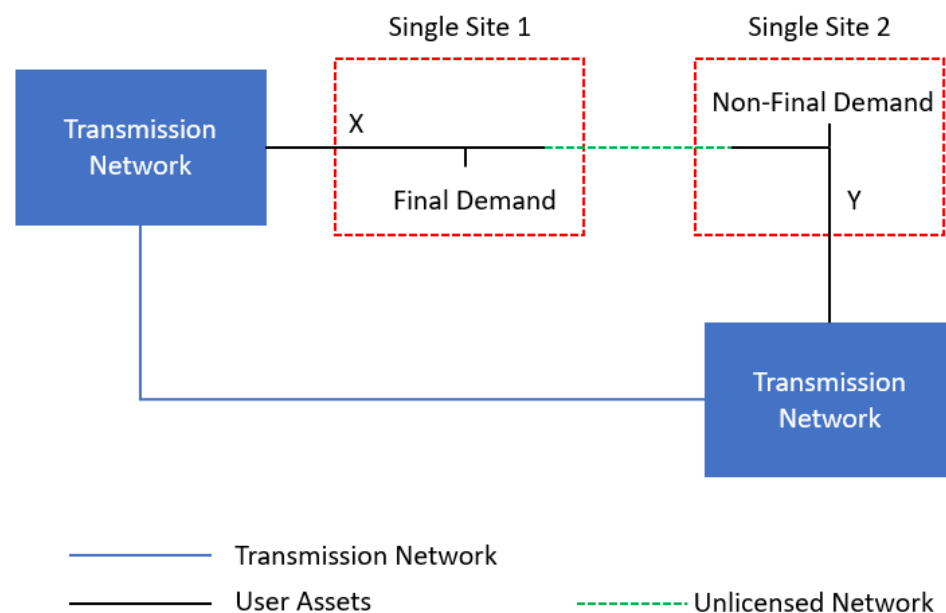
2. Single Site with combination of Final and non-Final Demand and multiple connection points



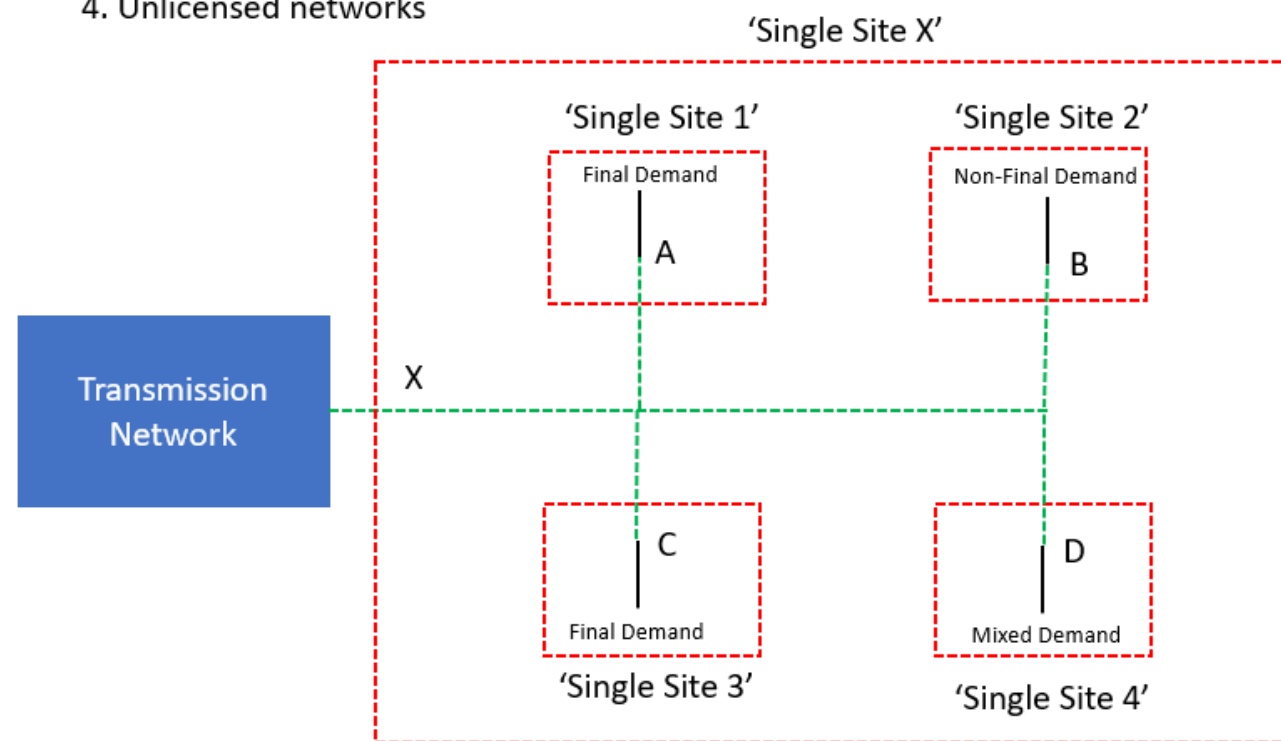
Example site configurations to test (2)

Expecting the Workgroup to identify other configurations to test the solution against.

3. Single Sites interconnected independently of a licensed network



4. Unlicensed networks



Additional considerations

We believe it would be beneficial to also;

1. Test whether the Declaration process (created by CMP319 and adapted by CMP334) needs to be enhanced as a result of this proposal and if so, how.
2. Identify any BSC or Grid Code barriers that would prevent metering configurations that the proposal looks to use.
3. Review for inconsistencies in the legal text as, for example, in the definition of 'Final Demand Site' Ofgem believe that "All Users" should be replaced with "For Users" for consistency with the subsequent points.

Scope & Interactions with other TDR processes

1. Establish bands for residual charges – CMP340/3
2. Obtain data for TNUoS tariff setting – Existing processes and P402
3. Calculate TNUoS Demand Residual tariffs. – CMP340/3
4. Define Final and Non-Final Demand – CMP334
5. Determine Final Demand and Non-Final Demand Sites* - CMP334
6. Allocate Sites to bands – CMP335/6
7. Dispute of allocation process – CMP335/6
8. Invoice Suppliers and reconcile accordingly – CMP335/6

* Including declaration process.

Out of scope of this modification