



Please use this Pro-Forma when responding to the Interim Report and Consultation of the second Balancing Services Charges Task Force.

The Taskforce will take all responses into its consideration when producing the final report. When providing a response please supply a rationale, particularly in respect of any specific questions detailed below.

Please send your responses to [chargingfutures@nationalgrideso.com](mailto:chargingfutures@nationalgrideso.com) by 5pm on **26 August 2020**. Please note that any responses received after the deadline or sent to a different email address may not be taken into account by the Taskforce.

If you have any queries on the content of this consultation, please contact us at [chargingfutures@nationalgrideso.com](mailto:chargingfutures@nationalgrideso.com).

| Question   | Response   |
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| 1. Do you agree with the Task Force's recommendations on who should pay Balancing Services Charges (Deliverable 1)? Please state your reasoning and evidence behind your answer. | Tata Chemicals Europe agrees that BSUoS should be levied against final demand. Doing so will provide for efficient cost recovery and help to remove market distortions. Application of BSUoS onto distribution generation would be detrimental to decarbonisation and would not address the increasingly large issue of BSUoS not applying to generation on the continent that exports into GB across the interconnectors. |
| 2. The Task Force have discussed how the recommendation on Deliverable 1) for Final Demand only to pay Balancing Services Charges could impact on large energy                   | TCE does not expect that the increase in BSUoS faced by large energy users under the proposal to apply BSUoS to final demand, would be sufficient to justify grid defection.   |

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| users and the potential for 'grid defection'. Do you think 'grid defection' is a possibility and to what extent would the Task Force's recommendations impact on your answer?  |  |
| 3. Do you agree with the Task Force's recommendations that an ex ante fixed charge would deliver overall industry benefits? Please state your reasoning and evidence behind your answer.   | Tata Chemicals Europe supports BSUoS becoming a fixed ex ante (fixed in advance) charge. Doing so will provide greater certainty to business.  |
| 4. How long do you think the fixed period should be and what in your opinion is the optimal notice period in advance of the fixed charge coming into effect? Please state your reasoning and evidence behind your answer.  | TCE has no comment   |
| 5. Which approach discussed by the Task Force (TDR banded £/site/day or volumetric £/MWh) do you feel is most appropriate for Balancing Services Charges? Please consider your answer against the TCR principles and state your reasoning and evidence to support your answer. | Tata Chemicals Europe supports BSUoS remaining as a volumetric charge. The application of the charge on a volumetric basis is a fair approach where customers who use the network more incur a higher charge which represents the increased cost associated with balancing the system. A volumetric charge is also a simpler approach that provides a cost reflective time of day signal to market participants. |
| 6. The Task Force noted limitations of the approaches covered in Q5, what other methodologies or improvements to the ones in Q5 could you recommend to tackle them? Please consider your answer against the TCR principles and state your                                      | TCE has no comment.  |

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| reasoning and evidence to support your answer.  |  |
| 7. Is 2years' notice of the changes prior to an implementation date appropriate? Please state your reasoning and evidence behind your answer.   | TCE supports a minimum of 2 years implementation.        |
| 8. Should the Task Force consider any interim measures? Please provide details of any suggested interim solution including how it may deliver benefits to consumers or help to mitigate specific challenges facing market participants, whilst limiting any windfall gains or losses between industry participants. | Tata Chemicals Europe does not support interim measures. |
| 9. Do you feel that there any interactions with the Supplier Price Cap that need to be considered? Please state your reasoning and evidence behind your answer.   | TCE has no comment.                                      |
| 10. The Task Force's initial recommendation is that Final Demand only will pay BSUoS. If this is the case, is the current RCRC mechanism is still appropriate? Please state your reasoning and evidence behind your answer.   | TCE has no comment.                                      |
| 11. Is there anything further you think the Task Force needs to consider?   | TCE has no comment.                                      |
| 12. Please use this box to add any further comments that you may have   |  |

