

**Workgroup Consultation Response Proforma****CMP425: Billing Demand Transmission Residual By Site**

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](mailto:cusc.team@nationalgrideso.com) by **5pm** on **15 November 2023**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Milly Lewis [Milly.Lewis@nationalgrideso.com](mailto:Milly.Lewis@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Edda Dirks, Victoria Burkett	
<b>Company name:</b>	SSE Generation and SSE Business Energy	
<b>Email address:</b>	edda.dirks@sse.com, Victoria.burkett@sse.com	
<b>Phone number:</b>	n/a	
<b>Which best describes your organisation?</b>	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network <input type="checkbox"/> Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input checked="" type="checkbox"/> Storage <input checked="" type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input checked="" type="checkbox"/> Other

**I wish my response to be:**

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

*Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.*

**For reference the Applicable CUSC (charging) Objectives are:**

- 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;*
- 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);*
- 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.*

*\*The Electricity Regulation referred to in objective (d) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.*

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

Standard Workgroup Consultation questions		
1	Do you believe that the Original Proposal better facilitate the Applicable Objectives?	<p>Mark the Objectives which you believe each solution better facilitates:</p> <p>Original <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D <input checked="" type="checkbox"/> E</p> <p>We broadly concur with the proposer's assessment of the Charging Objectives B, C and E.</p> <p>However, with regard to objective A, we consider that the proposed solution, i.e. the splitting of the residual on a proportional consumption basis, could make it quite difficult for suppliers to provide a quote for Connection Sites with third party supply, as the respective suppliers would need to know at quotation stage the relevant TDR split.</p> <p>Where this information is not available, it could negatively affect competition in supply, for instance by reducing some suppliers' willingness to provide a quote, thereby reducing customers' choice.</p> <p>We would like the Workgroup to give consideration to this issue. Under question 3., response 1.c, we have proposed some additional legal text which could help address that point.</p>
2	Do you support the proposed implementation approach, notably the date?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Implement ASAP <input type="checkbox"/> Implement 2025 <input checked="" type="checkbox"/> No preference</p> <p>Click or tap here to enter text.</p>
3	Do you have any other comments, including any learnings from similar issues?	<p><b>1. Legal text</b></p> <p>a. We consider that the clarity of the proposed first sentence at 14.17.13 would be improved by replacing "Where a Connection Site <i>has</i> more than one Supplier BMU..." with "Where a Connection Site <i>is served by</i> more than...".</p>

		<p>This is because, arguably, a fully settled Connection Site doesn't itself have any suppliers. Also, the proposed amended wording we are suggesting here would align better with the current legal text wording that precedes it.</p> <p>b. We would also like to see, in the section which is specifically about Residual Charging Bands (14.15.156 to 14.15.160), a cross-reference to the new provision under 14.17.13, for instance by creating 14.15.158c, or 159 (numbering tbc), mirroring the language at 158a:  <a href="#">"For Final Demand Sites and Mixed Demand Sites connected to the NETS which have been allocated to a Charging Band in accordance with 14.15.156, and which have more than one <b>Supplier BM Unit</b>, the charges will be divided and apportioned in accordance with the process as set out under 14.17.13."</a></p> <p>c. We would like to see more detail on the implementation practicalities, such as the data that the ESO would share with the suppliers. To that end, we propose that the following wording be added to 14.17.13:  <a href="#">"Where the Company has relevant information, it will provide this to the Supplier BMUs in a timely manner."</a></p> <p>This addition would help address our concern about Charging Objective A, as raised under question 1., and under point 2. below.</p> <p><b>2. Impacts on suppliers</b></p> <p>As per our responses to question 1 and question 3, 1.c, we consider that the splitting of the residual on a proportional consumption basis could make it quite difficult for suppliers to provide a quote to the end consumer for Connection Sites with third party supply, as the respective suppliers would need to know at that quotation stage the relevant TDR split.</p> <p>This could negatively affect competition in supply (i.e. Charging Objective A).</p>
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		We would like the Workgroup to give consideration to this issue.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Click or tap here to enter text.
5	Do you consider your organisation to be impacted by this modification?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Click or tap here to enter text.