

CUSC Alternative and Workgroup Vote

CMP430: Adjustments to TNUoS Charging from 2025 to support the Market Wide Half Hourly Settlement (MHHS) Programme

Please note: To participate in any votes, Workgroup members need to have attended at least 50% of meetings.

Stage 1 - Alternative Vote

If Workgroup Alternative Requests have been made, vote on whether they should become Workgroup Alternative CUSC Modifications (WACMs).

Stage 2 - Workgroup Vote

2a) Assess the original and WACMs (if there are any) against the CUSC objectives compared to the baseline (the current CUSC).

2b) Vote on which of the options is best.

Terms used in this document

Term	Meaning
Baseline	The current CUSC (if voting for the Baseline, you believe no modification should be made)
Original	The solution which was firstly proposed by the Proposer of the modification
WACM	Workgroup Alternative CUSC Modification (an Alternative Solution which has been developed by the Workgroup)

The Applicable CUSC Objectives (Charging) 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);

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- 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.

*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.

Workgroup Vote

Stage 1 – Alternative Vote

Vote on Workgroup Alternative Requests to become Workgroup Alternative CUSC Modifications.

The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.

Should the majority of the Workgroup OR the Chair believe that the potential alternative solution may better facilitate the CUSC objectives than the Original proposal then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.

“Y” = Yes

“N” = No

“-“ = Neutral (Stage 2 only)

“Abstain”

No Workgroup Alternatives were raised.

Stage 2a – Assessment against objectives

To assess the original against the CUSC objectives compared to the baseline (the current CUSC).

You will also be asked to provide a statement to be added to the Workgroup Report alongside your vote to assist the reader in understanding the rationale for your vote.

ACO = Applicable CUSC Objective

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Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Neil Dewar – ESO						
Original	y	y	-	-	y	y
<p>Voting Statement:</p> <p>We believe that the Original better facilitates the objectives than the current CUSC baseline.</p> <p>The solution proposed via this Modification addresses the issues identified within the proposal related to segmentation of MPANs when they transition to the MHHS Arrangements by:</p> <ol style="list-style-type: none"> i. supporting implementation of the solution agreed within Change Request 32 (CR32) as part of the MHHS Programme. It will segment MPANs when they transition to MHHS and facilitate the continued charging of demand locational TNUoS, splitting between Domestic and Non-Domestic, and connection type. In doing so, the proposed solution will support delivery of the MHHS Programme in line with MHHS Milestones. ii. Significantly reducing the risk of double charging compared to the baseline, where all MPANs would be treated as Chargeable Demand Locational Capacity when they transitioned to the MHHS arrangements if not implemented. Whilst not completely eliminating the risk of double charging for MPANs that will be subject to a change in charging arrangements, the proposed solution provides clarity to suppliers on the characteristics of those specific at-risk MPANs. iii. providing a solution on an enduring basis until possible future demand locational TNUoS charging changes are introduced (as an output of TNUoS Taskforce or otherwise). 						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Lee Stone – Npower Commercials Gas Ltd						
Original	y	y	-	-	y	y
<p>Voting Statement:</p> <p>I believe that the Original better facilitates the objectives than the current CUSC baseline.</p>						

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Objective A - facilitates effective competition in the generation and supply of electricity by not moving all of the market to a single (TRIAD) charging regime, as that would not be suitable for the vast majority of supply customers.

Objective E – ensures that the charging regime that is currently both in play and under review largely remains unchanged for the 2025-26 charging year, but has considered impacts on the subset of customers who may be impacted by MHHS migration. In addition, this has ensured that current considerations (output of TNUoS Taskforce) is not creating further changes the following charging year reducing both charging distortion and enabling a single efficient future demand locational TNUoS charging change consideration.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Hugh Boyle – EDF Energy					
Original	y	-	-	-	n	y

Voting Statement:

The proposal mildly aids effective competition by ensuring that domestic customers and micro businesses are not exposed to cost signals (i.e. Triads) that they are unable to respond to effectively, and remain priced on a comparable basis with near peers.

One shortfall of the proposal is the potential for double charging or under-charging some customers that will move from facing a year round variable TNUoS charge to facing Triad charges or vice versa. Especially as there is currently no reliable estimate of the number of customers impacted. However, since the Targeted Charging Review (TCR) implementation the variable aspect of TNUoS is a small proportion of a customers' total TNUoS cost and so the potential for double or under-charging is probably limited in materiality.

Additionally, given the highly concentrated time of use aspect of the Triad methodology it is very difficult to move to or from this charging methodology without the possibility of any double or under-charging for at least some customer types.

The proposal is not efficient as it will involve material time and cost for IT system development that is very likely to be short lived. Communications from both the Charging Futures Forum and the TNUoS Taskforce indicate that the current charging arrangements are not suitable and likely to be amended in the near future.

There were alternatives to introducing complexity and cost on short notice in an effort to maintain existing charging arrangements that would have been more appropriate.

With only a short period of time remaining to approve a solution, this is the only option on the table. Overall, despite its drawbacks, it is preferable to the baseline which would

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see the entire TNUoS charging methodology at risk from April 2025 if no action is taken.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	James Knight – Centrica					
Original	y	-	-	-	y	y
Voting Statement:						
<p>This modification aligns the post MHHS TNUoS charging with current TNUoS charging arrangements as closely as possible. This consistency will endure until such time as TNUoS charging methodology is amended (potentially through REMA recommendations, Ofgem standing charge review and/or Taskforce proposals which are all currently in progress). It would be inefficient for changes to the charging regime that customers face be made only for them to be amended again in the near future. This modification therefore better facilitates ACO (e) than the baseline.</p> <p>Maintaining the TNUoS charges after the implementation of MHHS also potentially allows Suppliers to price customers more competitively. Suppliers will not have to contend with sites changing TNUoS charging methodology at some point during a contracted period as they migrate, better facilitating ACO (a).</p>						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Andrew Colley – SSE Generation Ltd					
Original	y	y	-	-	y	y
Voting Statement:						
No Statement received.						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Karl Maryon – Drax Energy Services					
Original	y	y	-	-	y	y
Voting Statement:						
No Statement received.						

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Of the 6 votes, how many voters said this option was better than the Baseline.

Option	Number of voters that voted this option as better than the Baseline
Original	6

Stage 2b – Workgroup Vote

Which option is the best? (Baseline, Proposer solution (Original Proposal)).

Workgroup Member	Company	Industry Sector	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
Neil Dewar	ESO	System Operator	Original	a, b, e
Lee Stone	Npower Commercials Gas Ltd	Supplier	Original	a, b, e
Hugh Boyle	EDF Energy	Supplier	Original	a
James Knight	Centrica	Supplier	Original	a, e
Andrew Colley	SSE Generation Ltd	Generator	Original	a, b, e
Karl Maryon	Drax Energy Services	Supplier	Original	a, b, e