# TNUoS Charging from 2025 to support Market-wide Half Hourly Settlement

**CMP430** charging arrangements October 2024







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#### **Disclaimer**

In the event of any inconsistencies between this guidance note and the CUSC, then the latest CUSC will take precedence.

The latest CUSC can be downloaded from the National Energy System Operator (NESO) website https://www.neso.energy/industry-information/codes/connection-and-use-system-code-cusc





#### Introduction

**Public** 

This guidance note has been prepared to provide assistance on the impacts on Transmission Network Use of System (TNUoS) charging regimes as a result of the Market-wide Half Hourly Settlement (MHHS) Implementation and the subsequent impacts that CMP430 will have on TNUoS charging. CMP430 'Adjustments to TNUoS Charging from 2025 to support the MHHS Programme' was approved by Ofgem on 26 September 2024 to be implemented on 1 April 2025.

# **TNUoS Charging**

The CUSC sets out different charging methodologies for the following charges:

- Chargeable Demand Locational Capacity ('Triad'):
  - the average of the Supplier Balancing Mechanism (BM) Unit's Half Hourly (HH) metered gross demand during the Triad (charged on a £/kW basis)
- Chargeable Energy Capacity ('4pm-7pm peak'):
  - the Supplier BM Unit's Non Half Hourly (**NHH**) metered energy consumption over the period 16:00 hrs to 19:00 hrs inclusive every day over the Financial Year (charged on a p/kWh basis)
- Chargeable Embedded Export Capacity:
  - the average of the Supplier BM Unit's **HH** metered embedded export during the Triad (charged on a £/kW basis)

The CUSC does not define segmentation between HH and NHH using Measurement Class. However, Measurement Classes are used to describe data in different fields provided in the <u>P0210 'TUoS Report (HH/NHH Split)'</u><sup>2</sup>. The P0210 contains data that is used by NESO for calculation of TNUoS charges.

Measurement Classes F and G are referred to in CUSC to describe special arrangements that are in place for consumption associated to these sites to be treated as Chargeable Energy Capacity (4pm-7pm peak), even though they are settled on a HH basis.

The <u>Balancing and Settlement Code (BSC) Section X-2 'Technical Glossary'</u> describes how Metering Systems are broken down into Measurement Class groups.

<sup>&</sup>lt;sup>1</sup> https://www.ofgem.gov.uk/decision/authority-decision-accept-cmp430-adjustments-tnuos-charging-2025-support-market-wide-half-hourly-settlement-programme

<sup>&</sup>lt;sup>2</sup> https://www.elexon.co.uk/documents/bsc-codes/business-definition-documents/sva-data-catalogue-volume-1-2/ page 229

<sup>&</sup>lt;sup>3</sup> https://bscdocs.elexon.co.uk/bsc/bsc-section-x-2-technical-glossary#table-x6-





# What is changing as a result of MHHS Implementation?

At the completion of the MHHS Programme all Meter Point Administration Numbers (MPANs) will have moved from legacy arrangements and will be settled on a 30-minute basis, regardless of how a site is metered.

# Why will the charging arrangements be changing?

Measurement Class as a data item will not exist in its current format in the new MHHS Target Operating Model (TOM) and the revised Consumption Component Class (CCC) will not replicate Measurement Class attributes. Therefore the information in the current P0210 cannot be maintained in the same way. Under the MHHS design, the method of populating Measurement Class into the P0210 is being amended to reflect the new MHHS arrangements.

CMP430 amends CUSC Section 14 to rectify defects relating to TNUoS charging that will become apparent during the Migration Phase of the MHHS Programme. MHHS migration is currently due to begin in April 2025. However, MHHS Programme milestones relating to migration and activities following migration could be delayed (see MHHS Programme Change Request (CR) 055<sup>4</sup> and MHHS Programme Plan and Complementary Documents<sup>5</sup> for the latest view). The solution introduced by CMP430 will still be implemented on 1 April 2025, and any changes to charging arrangements will start to be applied once MPANs begin to migrate.

## **CUSC defect CMP430 addresses**

There will be an impact on Charging Arrangements. Demand data cannot be segmented in a way that maintains the same application of TNUoS charging for sites once they have been migrated to the new MHHS arrangements.

#### CMP430 solution

CMP430 amends CUSC Section 14 to maintain the current charging methodologies and segment customers between these as closely as possible to the current arrangements. The solution segments demand for migrated MPANs by the new MHHS data items that will then be used to populate the P0210 report as a result of approval of MHHS Programme Change Request (CR) 326.

The implementation date is 1 April 2025 to ensure that the change is implemented prior to the start of MHHS Migration. This would ensure that data for both migrated and non-migrated MPANS are included in the P0210.

# **TNUoS** treatment for financial year 2025 onwards

The legal text introduced in CMP430 will be implemented on an enduring basis. The TNUoS Taskforce under Charging Futures is considering more substantive changes which could supersede any changes in future Charging Years.

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<sup>&</sup>lt;sup>4</sup> https://www.mhhsprogramme.co.uk/change-request-cr055-amendments-to-m10-and-corresponding-milestones

<sup>&</sup>lt;sup>5</sup> https://www.mhhsprogramme.co.uk/planning/programme-plan-complementary-documents

 $<sup>^6</sup>$  https://www.mhhsprogramme.co.uk/api/documentlibrary/Change%20IAs/MHHS-DEL1615%20CR032%20%20Change%20to%20Interface%20MHHS-IF-

<sup>165%20</sup>P0210%20TUoS%20Reporting%20v2.3%5b2%5d%5b97%5d.docx





### **TNUoS impacts as a result of CMP430**

Until Suppliers transition their portfolios to the new MHHS arrangements, TNUoS charges will be segmented under the existing arrangements – i.e. by Measurement Class.

As Suppliers transition their portfolios to the new arrangements, MPANs will be identified by a combination of a Domestic Premises Indicator (DPI) and a Connection Type Indicator (CTI), giving the MPAN a "derived Measurement Class". This will then be included in the P0210 file sent from Elexon to NESO for TNUoS Charging purposes.

The original intention was to treat the charging arrangements the same for all MPANs but it has been identified that once a site transitions to the new MHHS arrangements, there will be some MPANs with specific Meter characteristics (DPI and CTI) which will be subject to different charging arrangements pre-MHHS Transition. These are highlighted in Table 1.

Table 1 TNUoS Charging Arrangements pre and post MHHS Migration of an MPAN

Domestic Premises Indicator	Connection Type Indicator	Current Measurement Class (non- MHHS)	Charging Arrangement Pre- MHHS Transition	Charging Arrangements post MHHS Transition
Domestic (T)	W (Whole Current); L (LV with Current Transformer); H (HV with Current Transformer) or E (EHV with Current Transformer)	Α	Chargeable Energy Capacity	Chargeable Energy Capacity
		F	Chargeable Energy Capacity	Chargeable Energy Capacity
		С	Chargeable Demand Locational Capacity	Chargeable Energy Capacity
	U (Unmetered)	B*	Chargeable Energy Capacity	Chargeable Demand Locational Capacity
Non- Domestic (F)	W (Whole Current)	G	Chargeable Energy Capacity	Chargeable Energy Capacity
		Α	Chargeable Energy Capacity	Chargeable Energy Capacity
	L (LV with Current Transformer)	С	Chargeable Demand Locational Capacity	Chargeable Demand Locational Capacity
		E	Chargeable Demand Locational Capacity	Chargeable Demand Locational Capacity
		Α	Chargeable Energy Capacity	Chargeable Demand Locational Capacity
	H (HV with Current Transformer)	С	Chargeable Demand Locational Capacity	Chargeable Demand Locational Capacity
		E	Chargeable Demand Locational Capacity	Chargeable Demand Locational Capacity
		Α	Chargeable Energy Capacity	Chargeable Demand Locational Capacity
	E (EHV with Current Transformer)	С	Chargeable Demand Locational Capacity	Chargeable Demand Locational Capacity
		E	Chargeable Demand Locational Capacity	Chargeable Demand Locational Capacity
	U (Unmetered)	D	Chargeable Demand Locational Capacity	Chargeable Demand Locational Capacity

Chargeable Demand Locational Capacity = Triad

Chargeable Energy Capacity = 4pm-7pm peak

#### Yellow highlight shows change in TNUoS charging as a result of CMP430

\*All NHH Unmetered (Measurement Class B) will be transferred to Measurement Class D by the start of the migration period. N.B. Measurement Class B is currently charged 4pm-7pm and reason for change is as a result of the implementation of P434<sup>7</sup>. Whilst theoretically possible, the expectation is that there will be no Domestic Unmetered demand.

<sup>&</sup>lt;sup>7</sup> https://www.elexon.co.uk/mod-proposal/p434/





# **CMP430 Double Charging scenarios**

TNUoS 'Double Charging' can occur when a Metering System/MPAN moves between different TNUoS charging arrangements within the same Charging Year.

The relevant TNUoS charging arrangements to consider are:

- Chargeable Demand Locational Capacity (average of the metered gross demand during the Triad)
  'Triad Methodology'
- Chargeable Energy Capacity (metered energy consumption over the period 16:00 hrs to 19:00 hrs every day) inclusive '4pm-7pm peak Methodology'

NESO calculates TNUoS Demand Locational charges based on aggregated Supplier BM Unit consumption/demand and does not have visibility of individual Metering Systems/MPANs.

The timing, within the Charging Year, of when a Metering System/MPAN moves between the Triad Methodology and the 4pm-7pm peak Methodology (or vice versa) influences the impact to the TNUoS charges a Supplier receives.

Figure 1 and Figure 2 on the next page show some illustrative scenarios that will be impacted under the CMP430 solution.







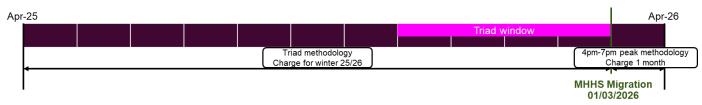


Figure 1 Pre-MHHS Migration: Measurement Class = C

Post-MHHS Migration: Domestic Premises Indicator = T and Connection Type Indicator = W, L, H, E



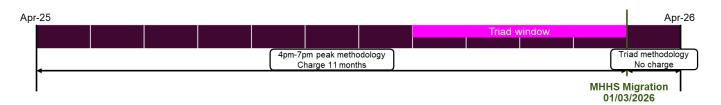


Figure 2 Pre-MHHS Migration: Measurement Class = A

Post-MHHS Migration: Domestic Premises Indicator = F and Connection Type Indicator = L, H or E





# **Supplier Impact**

#### **Double Charging Risk**

Suppliers are charged and reconciled based on the aggregate view of their demand portfolio. Under some of the scenarios illustrated, the site, and therefore the Supplier could be at risk of double charging.

Under MHHS, Suppliers will provide Migration plans indicating when MPANs will move from legacy settlement to MHHS arrangements.

Suppliers have the opportunity to determine when sites are migrated, which could influence whether a site is subject to double charging of TNUoS.

#### **Customer Contract**

The impact to Suppliers and consumers could vary depending upon the type of customer contract, when a customer contract starts relative to the Charging Year and when the change in charging arrangement takes place.

#### Contact us

For more information, please contact the TNUoS team at TNUoS.Queries@nationalenergyso.com