CMP343: Transmission Demand Residual Methodology

1st July 2020

A very quick recap of the TDR so far…

CMP343 will:

1. Create a new methodology for determining charging bands for TDR based on the methodology in Ofgem's decision
2. Create a new methodology to split TDR cost to these bands based on Final Demand at Single Sites
3. Establish a process for a periodic review of the TDR methodology

1. Setting Bands
   (once per price control)
2. Tariff Setting for TDR
3. Review methodology
   (once per year)
   (once per price control)

Mod	CMP335/6	DCP361	DCP360	DCP358	CMP334 / DCP359
What?	Allocation to Bands Disputes Billing and Reconciliation	Tariff Setting for DUoS Billing and Reconciliation	Allocation to Bands Disputes	Band Setting Reviewing the methodology	What is a site? What is Final Demand?

1. Proposed Structure of Demand TNUoS tariffs from 2022

To be changed through A&FLC in 2023

14 HH Locational Tariffs (floored at £0/kW consumption over Triad)

14 NHH Locational Tariffs (floored at £0/kWh) based on 4-7pm consumption

Transmission connected Demand Residual

EHV connected Demand Residual	>85th percentile
	<70th – 85th percentile
	<40th – 70th percentile
	40th percentile
HV connected Demand Residual	>85th percentile
	<70th – 85th percentile
	<40th – 70th percentile
	40th percentile
LV non-dom (MIC) Demand Residual	>85th percentile
	<70th – 85th percentile
	<40th – 70th percentile
	40th percentile
LV non-dom (No MIC) Demand Residual	>85th percentile
	<70th – 85th percentile
	<40th – 70th percentile
	40th percentile

Domestics Demand Residual

18 nationwide residual tariffs (p/site/day)

OR

Unmetered Supply Residual Tariff (p/kWh)

2. How will costs be split between the residual bands?

- Levy the locational components from T&T model to NHH and HH volumes
- Identify the Total Amount remaining (including the Embedded Export Tariff)
- Determine the residual p/site/day for each of the 18 bands & UMS p/kWh tariff.

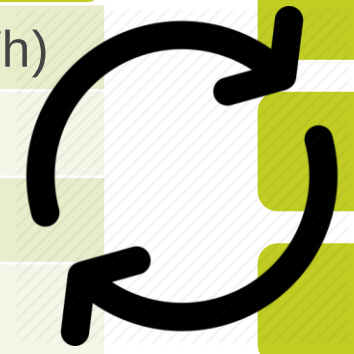
HV Band 1

1) Volume of HV Band 1 sites (MWh) / Total FDS volume inc. UMS (MWh)

2) Total TDR value (£) x % calculated in 1) = Total bill for HV Band 1

3) 2) ÷ Number of sites in HV Band 1 = Tariff p/site/year

4) 3) ÷ number of days in the year = Final tariff p/site/day



HV Band 2

HV Band 3

HV Band 4

UMS Residual Tariff

1) Volume of MCB and MCD (MWh) / Total FDS volume inc. UMS (MWh)

2) Total TDR value (£) x % calculated in 1) = Total bill for UMS

3) 2) ÷ Volume of MCB and MCD (MWh) = Tariff p/kWh

4) Billed on annual volume not peak volume.

Preliminary Tariffs for UMS

- ~1% of FDS volume
- Therefore, 1% of total TDR pot
- Tariff is ~0.8p/kWh based on our latest tariff setting
- Billed on annual UMS volume

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