

**CUSC Workgroup Consultation Response Proforma****CMP350: 'Changes to the BSUoS Covid Support Scheme'**

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 27 July 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation please contact Paul Mullen at [paul.j.mullen@nationalgrideso.com](mailto:paul.j.mullen@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

Respondent details	Please enter your details
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**CMP350**

**For reference the applicable CUSC Charging objectives are:**

Relevant Objective
(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);
(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. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 *; and
(e) To promote efficiency in the implementation and administration of the CUSC arrangements

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

CMP350 - Standard Workgroup Consultation questions		
1	Do you believe that the CMP350 Original Proposal better facilitates the Applicable CUSC Charging Objectives?	<i>No, we disagree with relevant objective a. This will favour domestic suppliers over non-domestic suppliers</i>
2	Do you support the proposed implementation approach for CMP350?	<p><i>No for the reasons set out in this response. We suggest you could consider that:</i></p> <ul style="list-style-type: none"> <li><i>Deferred costs are recovered through later settlement runs</i></li> <li><i>Deferred costs are charged separately and based on market share over the period in questions</i></li> </ul>
3	Do you have any other comments?	<p><i>Recovery of BSUOS costs will artificially benefit the domestic sector and unfairly affect non-domestic customers because domestic customers are consuming more in the current Covid 19 period therefore will be taking more of the cost.</i></p> <p><i>There is significant regulatory change under TCR and BSUOS task force which should be taken into consideration and embedded generators interests will be adversely affected.</i></p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<i>No</i>
Specific Workgroup Consultation Questions		
5	CMP350 Original proposes introducing a formal limit of £100m to the amount of Covid BSUoS Support Scheme costs which can be deferred. Do you agree that a formal limit of £100m should be introduced?	<i>To avoid exceeding the 100m cap and producing a cliff edge scenario, we would recommend a more conservative HH £/MWh BSUOS cap to make this scenario extremely unlikely.</i>
6	The ESO has included some initial thoughts on how the process would work when the £100m Cap is being approached and when it is reached. Do you agree with this approach? Please provide the rationale for your response	<i>We agree with the process, however we believe our answer to question 5 would make the scenario extremely unlikely</i>

7	<p>CMP345 introduced a £15/MWh cap for BSUoS. The CMP350 Original proposes to revise this cap to £5/MWh due to the increased frequency of BSUoS costs above £5/MWh. Do you think it is appropriate to revise the cap for BSUoS to below £15/MWh and if so to what value? Please provide the rationale for your response including any supporting analysis</p>	<ul style="list-style-type: none"> <li>• <i>£5/MWh is too low as it is estimated that almost 20% of HH's would have been above that level without COVID.</i></li> <li>• <i>£10/MWh would be more acceptable but we are happy with the current £15/MWh cap.</i></li> </ul>
8	<p>The Covid BSUoS support scheme introduced by CMP345 expires on 31 August 2020. The CMP350 Original proposes extending the expiry date to 30 September 2020 and a Workgroup Member has proposed extending this further to 25 October 2020. Do you think it is appropriate to extend the Covid BSUoS support scheme introduced by CMP345 and if so, to what date? Please provide the rationale for your response</p>	<p><i>The nature of the COVID 19 pandemic is uncertain. There could be a second wave and we could be left with the requirement for multiple future modifications. However, september should be the most "normal" situation will see demand-wise for a long time. Therefore TGP supports the August date.</i></p>