CUSC Code Administrator Consultation Response Proforma

CMP343 & CMP340 - Transmission Demand Bandings and allocation (TCR)

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 by **5pm** on **22 September 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

If you have any queries on the content of this consultation, please contact paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
Respondent name:	Daniel Brown
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CMP343

For reference the applicable CUSC Charging objectives 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);*

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. *Promoting efficiency in the implementation and administration of the use of system charging methodology.*

**Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

CMP340

For reference the applicable CUSC non-charging objectives are:

a) *The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*

b) *Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;*

c) *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*

d) *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

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

CMP343

REA NOTE: *The below is adapted from Pivot Powers' response, which we support and is representative of many of our members' concerns.*

The REA is the UK's largest trade association for renewable energy and clean technologies, representing around 550 members operating across the decarbonisation of heat, power, transport, and natural capital. We have large and active solar, energy storage, EV charging infrastructure, landfill gas, energy from waste, and biomass power technology groups of which these proposals may impact. Our EV Forum represents over 80 EV charging developers, eMSPs, operators, manufacturers, and others entities in the sector many of which are seeking to deliver larger 'hubs' for which these proposals are particularly relevant.

CMP343 - Standard Code Administrator Consultation questions		
1	Do you believe that the CMP343 Original solution, WACM1, WACM2, WACM3, WACM4, WACM5, WACM6, WACM7, WACM8 or WACM9 better facilitates the Applicable	WACM 2, WACM 5 and WACM 8 are the only versions that avoid major discrimination for smaller transmission-connected demand sites

<table>
<tr><td></td><td>CUSC Charging Objectives?</td><td></td></tr>
<tr><td>2</td><td>Do you support the proposed implementation approach for CMP343?</td><td>No. Given the scale of impact on larger customers and the modest consumer impact (£5/year), April 2023 seems more appropriate.</td></tr>
<tr><td>3</td><td>Do you have any other comments for CMP343?</td><td>The REA is concerned about the way the proposed scheme creates ‘cliff edges’ at the Triad band boundaries, and think this will adversely affect the evolution of the EV charging market.
The REA is concerned at the discriminatory pricing impact the current single transmission band would have – it would immediately rule out the kind of 1-5 MW charging stations our members are looking to develop, particularly via private wire.
But we also have concerns at the proposed bandings for the distribution networks. Creating dramatic jumps (£15k to £75k at 1.7 MVA on the 11kV network, and £3k to £89k at 1 MVA on the 33kV network) will put intense pressure on the charge point operators (CPOs) to keep their connections below this threshold – at least for several years, until customer queues mean they have to (and can afford to) upgrade. To drive EV adoption, we want CPOs to be investing in sites with capacity headroom, ensuring they can continue to stay ahead of demand, avoid queuing at their sites, and send the clear signal to drivers that the country is ready for rapid EV adoption.

For us, WACM2/5/8 are the only options as the others would create discriminatory pricing on the transmission network when compared with HV/EHV on the distribution network.

We note that the distribution pattern of consumption on the transmission network is already very similar to that on the DNO EHV network:

<table>
<tr><th>Band</th><th>EHV Volume by band</th><th>Transmission connected Volume by band</th></tr>
<tr><td>Band 1</td><td>2%</td><td>7%</td></tr>
<tr><td>Band 2</td><td>18%</td><td>20%</td></tr>
<tr><td>Band 3</td><td>20%</td><td>18%</td></tr>
<tr><td>Band 4</td><td>60%</td><td>55%</td></tr>
</table>
While DNO EHV users are being segmented into 4 bands, Ofgem’s baseline proposal is to treat all transmission-connected demand with a one-size-fits-all charge. Some of the working group voting</td></tr>
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		responses suggest that there is no difference in costs imposed on the system by different transmission system assets. We disagree strongly with this. A 200 MVA processing plant consuming 300+GWh per year is inherently using/consuming a larger part of the system (and its capital recovery and maintenance spend needs) than a site with <3 GWh demand per year. Furthermore, National Grid has for some time signalled its intention to open up the transmission network to more distributed supply and demand. The National Grid's TEC register currently shows 167 new generation connections of less than 60 MW with connection dates before the end of 2025, and a total capacity of over 7GW. The market is clearly responding to these signals, and the groundwork is laid for a significant reshaping of the transmission network. These connections, at substations right across the country, are generation-focused, but represent a golden opportunity to open up new demand capacity on the grid at a low cost, and to create competition for the DNOs in those locations. All proposals except for WACM2/5/8 make it unaffordable to use these smaller-scale connection points for small-scale demand – stifling innovation, and resulting in higher whole system costs by passing additional upgrade burden and costs onto the distribution network. Given ACO (a) is to facilitate competition, it is particularly surprising to find new tariffs being introduced that will prevent new smaller-scale demand from finding its way onto the transmission system. Given ACO (b) is to establish cost-reflectivity, it seems unfair to introduce a charging scheme which imposes the same charges on sites with demand profiles varying from 1GWh to 300+ GWh. ACO (c), to take account of connectees' business developments, would be best served by a linear, per-unit charge that scaled according to demand and avoided cliff edges between bands, but it appears it is too late for such a determination.

CMP340 - Standard Code Administrator Consultation questions		
1	Do you believe that the CMP340 Original solution, WACM1 or	Yes

	WACM2 better facilitates the Applicable CUSC Objectives?	
2	Do you support the proposed implementation approach for CMP340?	No. Given the scale of impact on larger customers and the modest consumer impact (£5/year), April 2023 seems more appropriate
3	Do you have any other comments for CMP340?	No.