

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
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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 - 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 CUSC Charging Objectives?	Yes, but we consider that the solution needs to address the comparative distortions to sites that connect either to the distribution or transmission network. Therefore, we support the alternative proposals with 4 transmission bands that go some way to achieving this.
2	Do you support the proposed implementation approach for CMP343?	Yes. Implementation from 1 st April 2022 gives the industry and consumers enough notice of this change.
3	Do you have any other comments for CMP343?	<p>Sites connected to the different parts of the network need to be treated as equitably as possible. Therefore, a similar site should not face discriminatory charges by virtue of being connected at LV, HV, EHV or transmission level.</p> <p>The table below illustrates this by showing how 4 bands at Transmission level would split the total volumes in similar proportions to the 4 bands at EHV.</p>

		EHV – Distribution connected sites Proportion of volume by band	Transmission connected sites Proportion of volume by band
	Band 1	2%	7%
	Band 2	18%	20%
	Band 3	20%	18%
	Band 4	60%	55%

Therefore, we consider alternative proposal 5 to be the best option, with 4 transmission bands, as used for the Distribution level, to avoid distortive charges between small and large sites. Having 4 transmission bands will deliver more cost reflective and fairer prices to sites connected at Transmission level.

Also, the direction of this modification is to deliver a solution to recover residual costs. We believe that altering any resulting negative locational signal is not within the scope of this modification. In principle we agree with maintaining the prevailing negative locational signal. Except for two zones, the incentive and opportunity for customers to increase demand will be low. The Reform of Access and Forward-Looking Charges SCR is expected to address this from April 2023.

CMP340 - Standard Code Administrator Consultation questions		
1	Do you believe that the CMP340 Original solution, WACM1 or WACM2 better facilitates the Applicable CUSC Objectives?	Yes.
2	Do you support the proposed implementation approach for CMP340?	Yes. Implementation from 1 st April 2022 aligns with CMP343 to give the industry and consumers enough notice of this change.
3	Do you have any other comments for CMP340?	No.