

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?	<p>The ADE believes WACM8 best facilitates the charging objectives.</p> <p>Flooring is not cost-reflective and exceeds the scope of the TCR. For these reasons, the ADE does support it – whilst noting that whatever solution is put in place will only be a 1-year temporary solution.</p> <p>However, the transport model outcome of negative locational tariffs does create a potentially perverse incentive to consume at times of maximum system stress.</p> <p>Therefore, the ADE's position is to support the introduction of a £/site/day locational adjustment to negative locational charges.</p> <p>The distribution of demand sites across Transmission requires the introduction of 4 bands at Transmission – so that the proportion paid by each band is fairly distributed and closely resembles the distribution at EHV; thereby aligning with Ofgem's TCR Direction.</p>
2	Do you support the proposed implementation approach for CMP343?	The ADE supports the introduction of CMP343 in April 2022 and the approach to the timescales for finalising this modification by Autumn 2020.
3	Do you have any other comments for CMP343?	No.

CMP343 - Standard Code Administrator Consultation questions		
1	Do you believe that the CMP340 Original solution, WACM1, WACM2 better facilitates the Applicable CUSC Charging Objectives?	The ADE supports the Original.
2	Do you support the proposed implementation approach for CMP340?	Yes.
3	Do you have any other comments for CMP340?	No.