

# Code Administrator Meeting Summary

## Meeting Name: CMP363/CMP364 Workgroup 2

Date: 19 April 2021

### Contact Details

Chair: Paul Mullen

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Proposer: Grahame Neale

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### Key areas of discussion

- CMP363/364 seeks to clarify the TNUoS Demand Residual charging arrangements for transmission connected sites that have a mix of Final and non-Final Demand. In Ofgem's Target Cost Review (TCR), they directed that network demand residual charges should be charged to 'Final Demand Sites' and so CMP334 was raised to define what a 'Final Demand Site' which would then be applied to the TNUoS Demand Residual methodology that has been created under CMP340 and CMP343. CMP334 has been approved by Ofgem but Ofgem in their decision stated that sites that have a mix of Final and non-Final Demand had not been adequately covered - hence the raising of CMP363/364.
- CMP363/364 is only targeting Transmission connected sites and DCUSA arrangements will apply for distribution connected sites.
- The Workgroup noted that there is a process whereby a User<sup>1</sup> (as defined in CUSC) can demonstrate they do not meet the "Final Demand Site" definition. Any Transmission Site will be assumed to have Final Demand (and therefore be liable for Transmission Demand Residual Charges) unless they declare otherwise.
  - The Proposer does not consider that changes to the definition of Declarations is required, however, they believe that the Declaration process (created by CMP319 and adapted by CMP334) needs to be enhanced;

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<sup>1</sup> The intention of the declaration is that this only applies to NETS connected Users (who will be CUSC signatories)

- The Proposer sought views from the Workgroup as to whether to time-limit any such Declarations, but this is not in line with what other Codes do; and
- Some Workgroup Members argued there was a need to clarify the obligation on Users to re-declare where there are changes.
- The Workgroup then discussed 8 scenarios to test the solution against and noted that all solutions will need Metering to separate the final and non-final demand. The Workgroup asked for further details to be added to the slides provided and an introductory slide setting out the key assumptions. **(Post Meeting Note: Updated and circulated 23 April 2021)**
- The Workgroup then assessed the pros and cons of whether to use Balancing Mechanism Unit (BMU) metering or a non-specification Meter. The Proposer supports a BMU Meter as this is a well-known industry process; however, some Workgroup Members noted that this may mean more requests for BMU metering that need to be managed and added complexity as there would be more non-standard BMU configurations. Views on this will be sought from the industry as part of the Workgroup Consultation.

## Next Steps

- Code Admin to issue 1<sup>st</sup> draft of Workgroup Consultation – **by 5pm on 27 April 2021 (Post Meeting Note: Issued 27 April 2021 asking for comments by 12pm on 4 May 2021)**
- The next Workgroup will be on **5 May 2021** – primary focus of the meeting is to finalise the Workgroup Consultation ahead of issue on **7 May 2021**.

For further information, please contact Paul Mullen.