

Code Administrator Consultation Response Proforma**CMP373: Deferral of BSUoS billing error adjustment**

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 **12pm on 13 May 2021**. 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.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
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For reference the Applicable CUSC (charging) Objectives are:

- 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;*
- 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);*
- 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;*
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*
- Promoting efficiency in the implementation and administration of the 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).*

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

Code Administrator Consultation questions		
1	Do you believe that the CMP373 Original Proposal better facilitates the Applicable Objectives?	Yes, we believe this modification better facilitates Applicable CUSC Objective A. This modification will remove potential distortions that may appear between generators as a result of retrospective charges being applied in the proposed ESO baseline approach. It will provide an opportunity for BSUoS-liaable parties to factor in the unforeseen increase in charges and recover it through their commercial and trading strategies if they wish to do so.
2	Do you support the proposed implementation approach?	Yes, we support the proposed implementation approach
3	Do you have any other comments?	<p>We believe that socialising costs across users in FY2021/2022 is a more appropriate mechanism. It will allow smearing the costs over a wider group of users, therefore, reducing exposure of any individual party.</p> <p>The proposed baseline approach (RF run) is likely to create some competitive disadvantages and distortions since BSUoS forecasting and pass-through is largely driven by commercial decisions of individual companies. Some users may not be able to absorb this increase, so without the opportunity to recover these charges in forward-trading or pricing, individual companies may be substantially impacted.</p>