

Workgroup Consultation Response Proforma

CMP308: Removal of BSUoS charges from Generation

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 **26 April 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 Kavita Patel Kavita.Patel@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Lauren Jauss
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For reference the Applicable CUSC 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 subparagraphs (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 *; and*
- e) *Promoting efficiency in the implementation and administration of the system charging methodology*

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

Standard Workgroup Consultation questions		
1	Do you believe that CMP308 Original proposal better	We agree that CMP308 Original proposal better facilitates CUSC objectives a), c), and d), by better aligning the GB market arrangements with those

	facilitates the Applicable Objectives?	<p>prevalent in other interconnected countries and removing potential for BSUoS to distort cross border trade, and that the growth in interconnectors is a strong driver of the need to update the arrangements. It also creates a more level playing field with small distribution connected generators who do not pay BSUoS.</p> <p>We further believe that CMP308 Original proposal also better facilitates CUSC objective e) as it will reduce the number of market entities who need to cost price, pay and reconcile BSUoS charges.</p>
2	Do you support the proposed implementation approach?	<p>We support the proposed implementation approach.</p> <p>It is very important that April 2023 is the implementation date of CMP308 in order to avoid significant and unnecessary wholesale market volatility. This implementation date is the recommendation from Ofgem, consideration of which we note is included in the CMP308 Workgroup's terms of reference. We strongly believe that wholesale power market prices already reflect the industry's full expectation of an implementation date of April 2023. At this stage in the BSUoS reform process, any change to this date would result in windfall gains or losses for those generators and suppliers who have already sold or procured power for the delivery period beyond April 2023.</p>
3	Do you have any other comments?	We do not have any other comments.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	We do not wish to raise a Workgroup Consultation Alternative Request.
Modification Specific Workgroup Consultation questions		
5	Please provide your thoughts on the Workgroup's discussions post reconvening after the outcome of the Second Balancing Services Charges Task Force. Is there anything else	We agree with the Workgroup's conclusion that CMP308 legal text solution can be done separately from CMP361 and that the two workgroups should be run independently. Although it is preferable that BSUoS reform is delivered in one "package" and not in a piecemeal way, this aim is secondary to minimising uncertainty and volatility in the wholesale market and hence progress to implementation of CMP308 should not be contingent on submission, approval and implementation of CMP361.

	that the Workgroup may need to consider?	
6	<p>What are your thoughts on the workgroup's discussions in regard to final demand data? Do you think the suggested solutions are appropriate? Please provide your rationale</p>	<p>It is essential that in the SVA Non-Final Demand identification process the entity who is ultimately responsible for paying the BSUoS charges (for example an embedded generator) has the ability to initiate the declaration process, informing the relevant parties including the supplier.</p> <p>We believe that the CVA and SVA processes for determining Non-Final Demand meters must include a check, confirmation or declaration by the operating entity to mitigate the risk of classification or data errors.</p> <p>There are an increasing number of obligations which require declaration or registration of the same meters. It would be preferable if this process could be made as efficient as possible, and perhaps combined with other meter declaration processes.</p>
7	<p>What are your thoughts on the draft legal text outlined in Annex 3? Please provide any comments you may have.</p>	<p>We do not have any comments on the draft legal text at this time.</p>