

**Code Administrator Consultation Response Proforma****CMP389: Transmission Demand Residual (TDR) band boundaries updates**

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](mailto:cusc.team@nationalgrideso.com) by **5pm** on **13 June 2022**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Paul Mullen [paul.j.mullen@nationalgrideso.com](mailto:paul.j.mullen@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

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**I wish my response to be:**

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

*Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.*

**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 \*; and*

- e. 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.**

Standard Code Administrator Consultation questions						
1	Do you believe that the CMP389 Original Proposal better facilitates the Applicable Objectives?	Mark the Objectives which you believe the Original solution better facilitates:				
		<table border="1"> <tr> <td>Original</td> <td><input type="checkbox"/>A</td> <td><input type="checkbox"/>B</td> <td><input type="checkbox"/>C</td> <td><input type="checkbox"/>D</td> <td><input type="checkbox"/>E</td> </tr> </table>	Original	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C
Original	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input type="checkbox"/> E	
<p><b>We oppose to this proposal</b> due to the following reasons:</p> <p>The proposal introduces a sudden change in the TNUoS Demand Residual (TDR) charges, so that:</p> <ul style="list-style-type: none"> <li>- 10 consumers see their charges increased by +24%</li> <li>- 5 consumers see their charges increased by +30%</li> <li>- 4 consumers see their charges reduced by -58%</li> </ul> <p>We consider that this proposal, is <b>discretionary</b> (as it, arbitrarily, only affects 19 customers), <b>not sufficiently justified*</b> and <b>even not stable within the time</b>, that is, a small variation in the levels of the thresholds of the bands would generate a totally different result.</p> <p><i>* The consumption data have been obtained from the period 2019 -2021, which may have been strongly affected by COVID 19 and an economic crisis, so the results may have been strongly distorted.</i></p> <p>Likewise, we have doubts about the need or urgency of carrying out at this time (of strong tensions in the market and prices and weak recovery from the economic crisis), changes in consumer tariffs that negatively affect their competitiveness (in this case, for 15 of the 19 selected consumers will be penalized, representing almost 80% of them).</p> <p>We consider that <b>the proposal does not contribute to any of the applicable CUSC objectives:</b></p> <p>We consider that the proposal harms regulatory stability in the UK system, which generates distrust among agents and negatively affects the effective competition between them (objective a). This regulatory instability is strongly detrimental to market confidence, introduces regulatory and legal uncertainty and undermines legitimate expectations of operators.</p> <p>The proposal has no relation at all with the costs incurred by the transmission licences (objective b) as the total revenues between all the bands are maintained.</p>						

		<p>The proposal has no relation at all with new developments in transmission licences (Objective C)</p> <p>We also consider that the regulatory instability that this proposal may create, is contrary to the basis of the European regulations and principles (objective d).</p>
2	Do you support the proposed implementation approach?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>For all of the above reasons we <b>do not support its implementation</b></p>
3	Do you have any other comments?	<p>Click or tap here to enter text.</p>