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 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 or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Tim Collins
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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:

Original	☒A ☐B ☐C ☐D ☐E

Yes. NG ESO's analysis (Annex 2) indicates that setting the Band 4 threshold at the 93rd percentile (instead of the 85th percentile) reduces the problem of similar consumers facing significantly different residual network charges due to clustering either side of the current 85th percentile boundary. Levying materially different charges on consumers with similar consumption, as CMP343 currently does, is detrimental to CUSC objective (a). CMP389 goes some way to addressing this by setting the Band 4 threshold where consumers immediately above and below it have more differentiated consumption levels. This is fairer and more conducive to effective competition.

2	Do you support the proposed implementation approach?	☒Yes ☐No
		CMP389 should be effective from April '23, the same time as the other CMP343/340 reform elements, to avoid two iterations of change.

3	Do you have any other comments?	We remain of the view that the CMP343/340 reforms place an unreasonable TNUoS burden on electricity intensive consumers. Whilst CMP389 does not address this serious defect, it does represent a modest improvement to the CMP343/340 baseline, for the reasons stated in response to Question 1.