

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:	Grahame Neale
Company name:	National Grid ESO
Email address:	Grahame.Neale@nationalgrideso.com
Phone number:	07787 261 242

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 <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input checked="" type="checkbox"/> E
		<p>We believe CMP389 is positive against the Applicable CUSC Objectives A and E (whilst being neutral against the other objectives) as;</p> <ol style="list-style-type: none"> 1. These changes will ensure that similar sites are treated in a similar manner by the TNUoS Demand Residual (TDR) methodology. 2. Meets a requirement of Ofgem's decision on CMP343. 3. Ensures band boundaries are finalised and clarified for industry ahead of go-live in the TDR methodology in April 2023
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		We believe implementing this proposal for April 2023 is appropriate as it aligns with the broader implementation of the TDR methodology changes approved by Ofgem.
3	Do you have any other comments?	We would note that this proposal will redistribute a fixed value of charges between users located in transmission bands 3 and 4. Therefore, this proposal will result in 'winners' and 'losers' compared to the band boundaries and tariffs within the original TDR analysis in CMP343.