

Workgroup Consultation Response Proforma

CMP430 Adjustments to TNUoS Charging from 2025 to support the Market Wide Half Hourly Settlement (MHHS) Programme

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 24 April 2024**. 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 cusc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Keren Kelly	
Company name:	ESO	
Email address:	Keren.kelly1@nationalgrideso.com	
Phone number:	07840 715753	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input checked="" type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

I wish my response to be:

(Please mark the relevant box)

☒ **Non-Confidential** (this will be shared with industry and the Panel for further consideration)

☐ **Confidential** (this will be disclosed to the Authority in full but, unless specified, will not be shared with the Workgroup, Panel or the industry for further consideration)

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);

- 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.*

**The Electricity Regulation referred to in objective (d) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.*

For reference, (for consultation questions 5 & 6) the Electricity Balancing Regulation (EBR) Article 3 Objectives and regulatory aspects are:

- a) fostering effective competition, non-discrimination and transparency in balancing markets;*
- b) enhancing efficiency of balancing as well as efficiency of national balancing markets;*
- c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
- d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;*
- e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;*
- f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;*
- g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.*

What is the EBR?

The Electricity Balancing Regulation (EBR) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.

The EBR regulation lays down the rules for the integration of balancing markets in Europe, with the objectives of enhancing Europe's security of supply. The EBR aims to do this through harmonisation of electricity balancing rules and facilitating the exchange of balancing resources between European Transmission System Operators (TSOs). Article 18 of the EBR states that TSOs such as the ESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem.

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

Standard Workgroup Consultation questions		
1	Do you believe that the Original Proposal and/or any potential alternatives better facilitate the Applicable Objectives?	<p>Mark the Objectives which you believe each solution better facilitates:</p> <p>Original <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input checked="" type="checkbox"/> E</p> <p>Objective A – Facilitates competition</p> <p>This CUSC change, aligns with the MHHS Programme migration timeline, supporting Suppliers' migration in an orderly and timely manner.</p> <p>Consequently, it should introduce competition amongst Suppliers, leading to the introduction of more dynamic tariffs and subsequent consumer benefits of flexibility and reduced energy bills</p> <p>Objective B – Charging</p> <p>This solution maintains the existing locational demand charging methodologies but introduces segmentation between the methodologies based on metering characteristics, rather than a demand threshold (100kW).</p> <p>The solution reduces the risk of double charging compared to the baseline and provides clarity to Suppliers in order for them to plan migration for specific at risk MPANs to avoid double charging</p> <p>Objective E - Efficiency</p> <p>This CUSC change will articulate the Charging arrangements during the transition phase of MHHS implementation by introducing (potentially) new terms to CUSC) and association with the Balancing and Settlement Code</p> <p>The solution is proposed to be enduring until such time as there is a more efficient charging methodology suggested by the TNUoS TaskForce</p>
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>
3	Do you have any other comments?	Click or tap here to enter text.

4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Click or tap here to enter text.
5	Do you agree with the Workgroup's assessment that MOD430 does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We do not believe it impacts existing, or introduces new, EBR Article 18 terms and conditions in the CUSC
6	Do you have any comments on the impact of MOD430 on the EBR Objectives?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Click or tap here to enter text.

Specific Workgroup Consultation questions

7	Does the Original Proposal have an impact on your business and if so, to what extent? e.g., Consumers treated differently in new arrangements?	N/A
8	Does the Original Proposal have an impact on the systems and processes used by your organisation, and if so, to what extent? e.g., pricing, billing, settlement	The Proposal will have an impact on ESO Revenue team who will bill Suppliers by different data items as a result of Change Request 32 – CR32 approved in December 2023 by the MHHS Design Advisory Group (DAG). The P0210 TUoS file will segment customers in a different way. ESO IT systems impacted but this has been factored into. ESO has discussed the impacts with Elexon and MHHS Programme and are aligned in the robust testing of P0210 in advance of M11 (currently due to be tested in Sept 24)
9	Do you agree with the scenarios identified that could be subject to different charging arrangements as a result of CMP430?	Yes

10	For suppliers only: How many sites does your organisation supply in the following scenario:	<input type="checkbox"/> a) Sites that are settled as Measurement Class C pre-MHHS migration that will have Domestic Premises Indicator = True post-MHHS migration <input type="checkbox"/> b) Sites that are settled as Measurement Class A pre-MHHS migration that will have a Connection Type Indicator = L or H (meaning they are CT Metered) and a Domestic Premises Indicator = False post -MHHS migration.
		N/A
11	Do you agree that the Original Proposal should be considered as enduring, or do you believe should it be time limited – e.g., Linked to Market Wide Half Hourly Settlement Milestones?	Enduring
12	Do you agree that the Original Proposal will not impact the delivery of the MHHS Programme delivery Milestones?	Agree, as this solution if approved by the Authority will be implemented on 1 st April 2025, in time for the start of the Transition Phase (M11)