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To Whom It May Concern,

LG Energy Group (LGE) are based in the North West of England and are a Third-Party Intermediary (TPI) in the energy sector. LGE act as a trusted advisor to a number of large commercial and industrial clients in regards to their energy requirements including contract negotiation, procurement, invoice validation and assisting with regulatory compliance.

Leep Utilities (Leep) are a joint venture between Ancala Partners LLP an independent mid-market infrastructure investment manager, and The Peel Group, one of the UK's leading private real estate investment and infrastructure companies. Leep operate a number of electricity networks across the UK and supply the Media City complex in Salford, Greater Manchester.

Both LGE and Leep would like to take the opportunity to respond to the consultation for CMP 345 'Defer the additional Covid-19 BSUoS costs.' LGE and Leep have extensive experience as a consultant for large users and as a generator and supplier to large consumers, respectively, and believe they can add a number of interested parties views on the subject.

Record low wholesale prices and unprecedented reductions in national demand are having adverse effects on energy costs, which is putting the stakeholders of the energy sector under immense strain. LGE believe that the impact of increased non commodity costs could make a difference to some users and have welcomed efforts by organisations like the Low Carbon Contracts Company to freeze CfD rates for a limited time. In line with these steps LGE and Leep would like to endorse the proposal to mitigate the impact of BSUoS costs on users and generators. The following answers have been prepared to specific consultation questions below:



1. Do you believe that CMP345 Original proposal better facilitates the Applicable CUSC Objectives?

LGE and Leep believe that the objectives stated by CUSC are better fulfilled by CMP345 in that it will help mitigate the cost impact on stakeholders during a period when many participants will be vulnerable to large unforeseen costs.

2. Do you support the proposed implementation approach?

LGE and Leep agree with the implementation approach and believe that the timescales accurately reflect the urgent requirement for the Code Modification.

5. Do you believe it is necessary to define Covid related costs for the purposes of BSUoS charging as a result of this Modification proposal? Please provide rationale to support your response.

Both LGE and Leep believe that it is not necessary to define Covid-19 related costs for the purposes of the Modification proposal. Due to the significant shift that has resulted from Covid-19 all consumers have been affected to some extent and it would not be reasonable to isolate certain costs as being Covid-19.

7. Do you think any deferral of Covid costs should be i) within the 2020/2021 Charging Year only, ii) deferred to the 2021/2022 Charging Year or iii) deferred to 2022/2023 Charging Year or iv) deferred equally across the 2021/2022 and 2022/2023 Charging Years? Please provide rationale to support your response

The deferral of costs should be across the 21/22 period as this will allow companies time to recover from the cost implications of Covid-19 before having to face the additional higher BSUoS costs. Both LGE and Leep believe that this should be adequate time for most consumers and that stretching the repayment time beyond this, risks further unknown complications.

8. Do you consider it appropriate to smear the entire deferred Covid costs equally across the whole of a Charging Year e.g. 2021/2022 or target the deferred Covid costs to the equivalent Settlement Periods in 2020/21 in which Covid costs arose? If the charge was to be applied equally across a Charging Year should that be on a per Settlement period only basis or on a per MWh basis? Please provide rationale to support your response

The deferred costs should be spread over the entire year on a per MWh basis. Spreading over the entire year will allow consumers to better manage their costs and prevent any users avoiding certain periods to avoid paying the additional Covid-19 costs. This will also be in line with current BSUoS charging and so be easier for consumers to understand.



10. Do you agree that the period to be covered for deferral of Covid costs should be limited to those incurred up to 31 August 2020?

At this stage LGE and Leep would agree that costs should currently be limited to the 31st August, this is in line with the belief that many companies will be back to normal operating hours and processes by this date. This should be subject to review if government advice changes.

We appreciate you taking the time to read this and look forward to seeing the results of the consultation.

Yours Faithfully,

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