

CUSC Code Administrator Consultation Response Proforma**CMP333: BSUoS – charging Supplier Users on gross demand (TCR)**

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 15 May 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

If you have any queries on the content of this consultation, please contact Christine.brown1@nationalgrideso.com or cusc.team@nationalgrideso.com.

| Respondent details | Please enter your details |
|-------------------------|------------------------------|
| Respondent name: | Simon Vicary |
| Company name: | EDF Energy Customers Limited |
| Email address: | Simon.vicary@edfenergy.com |
| Phone number: | 07875110961 |

For reference the applicable CUSC 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. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 *; and*
- e. *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**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 Workgroup Consultation questions | | |
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| 1 | Do you believe that the CMP333 Original Proposal better facilitates the Applicable CUSC Objectives? | <p>(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 – Positive</p> <p>(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) – Neutral</p> <p>(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 – Positive</p> <p>(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 – Neutral</p> <p>(e) Promoting efficiency in the implementation and administration of the CUSC arrangements – Neutral</p> |
| 2 | Do you support the proposed implementation approach? | <p>We support the proposed implementation approach with the change taking effect on 1st April 2021. However, we believe that only partial delivery of the non-locational embedded benefits package leaves distortions between transmission and distribution connected generators. A delay until April 2022</p> |

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| | | <p>would provide time for a decision to be concluded on full BSUoS reform, taking account of whatever recommendations the second BSUoS task force makes in its report, which is now due in September 2020.</p> <p>Our view is that implementation of BSUoS and TNUoS Residual reforms for Generators should be aligned.</p> |
| 3 | Do you have any other comments? | <p>Ofgem published their decision to approve CMP281 'Removal of BSUoS Charges from Energy Taken from the National Grid System by Storage Facilities' on 14th May 2020.</p> <p>In it they state that <i>"We note that the CMP333 code administration consultation is due to close on 15 May. We expect the revised legal text of CMP333 to take CMP281 into account, including allowing stakeholders to comment on the proposal against this new baseline, for example by extending the consultation deadline"</i>.</p> <p>As the deadline for this consultation has not been extended, we expect the CMP333 workgroup to publish revised legal text and a further Code Administrator Consultation to be held in due course.</p> |