



Please use this Pro-Forma when responding to the Interim Report and Consultation of the second Balancing Services Charges Task Force.

The Taskforce will take all responses into its consideration when producing the final report. When providing a response please supply a rationale, particularly in respect of any specific questions detailed below.

Please send your responses to [chargingfutures@nationalgrideso.com](mailto:chargingfutures@nationalgrideso.com) by 5pm on **26 August 2020**. Please note that any responses received after the deadline or sent to a different email address may not be taken into account by the Taskforce.

If you have any queries on the content of this consultation, please contact us at [chargingfutures@nationalgrideso.com](mailto:chargingfutures@nationalgrideso.com).

Question	Response
1. Do you agree with the Task Force's recommendations on who should pay Balancing Services Charges (Deliverable 1)? Please state your reasoning and evidence behind your answer.	
2. The Task Force have discussed how the recommendation on Deliverable 1) for Final Demand only to pay Balancing Services Charges could impact on large energy users and the potential for 'grid defection'. Do you think	

<p>'grid defection' is a possibility and to what extent would the Task Force's recommendations impact on your answer?</p>	
<p>3. Do you agree with the Task Force's recommendations that an ex ante fixed charge would deliver overall industry benefits? Please state your reasoning and evidence behind your answer.</p>	
<p>4. How long do you think the fixed period should be and what in your opinion is the optimal notice period in advance of the fixed charge coming into effect? Please state your reasoning and evidence behind your answer.</p>	
<p>5. Which approach discussed by the Task Force (TDR banded £/site/day or volumetric £/MWh) do you feel is most appropriate for Balancing Services Charges? Please consider your answer against the TCR principles and state your reasoning and evidence to support your answer.</p>	
<p>6. The Task Force noted limitations of the approaches covered in Q5, what other methodologies or improvements to the ones in Q5 could you recommend to tackle them? Please consider your answer against the TCR principles and state your reasoning and evidence to support your answer.</p>	

7. Is 2years' notice of the changes prior to an implementation date appropriate? Please state your reasoning and evidence behind your answer.	
8. Should the Task Force consider any interim measures? Please provide details of any suggested interim solution including how it may deliver benefits to consumers or help to mitigate specific challenges facing market participants, whilst limiting any windfall gains or losses between industry participants.	
9. Do you feel that there any interactions with the Supplier Price Cap that need to be considered? Please state your reasoning and evidence behind your answer.	
10. The Task Force's initial recommendation is that Final Demand only will pay BSUoS. If this is the case, is the current RCRC mechanism is still appropriate? Please state your reasoning and evidence behind your answer.	
11. Is there anything further you think the Task Force needs to consider?	
12. Please use this box to add any further comments that you may have	The change of payment basis for BSUoS was flagged in Ofgem's 2019 TCR decision document. As such, it should already be an expectation by impacted parties and we do not believe that further delayed implementation is helpful.

	<p>Indeed, delayed implementation of these recommendations will lead to a prolonged discrepancy in treatment of TNUoS and BSUoS charging elements in the context of EU Limiting Regulation 838/2010. This is already the case from April 2021 onwards where will see the Transmission Generators Residual being removed whilst other reforms have been delayed.</p> <p>This will leave large generators exposed to higher TNUoS charges calculated in the basis of a potentially non-compliant interpretation of Network Access Charges. Further, delays in implementing changes to balancing services arrangements will exacerbate distortions between large and distributed generators, as well as cross-border competition.</p> <p>Generally, this misalignment around a suite of reforms that were promoted as a package is concerning, and it is difficult to understand delays in some areas and not in others.</p>
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