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# FINAL ADE Response | Ofgem's minded to decision on CMP343

2 July 2021

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## Context

The ADE welcomes the opportunity to respond to Ofgem's minded-to position consultation on CMP343.

The ADE is the UK's leading decentralised energy advocate, focused on creating a more cost effective, efficient and user-orientated energy system. The ADE has over 140 members active across a range of technologies, including both the providers and the users of energy. Our members have particular expertise in combined heat and power, district heating networks, demand side energy services and energy efficiency.

## Response

### **1. Do you agree with our assessment of the distributional impacts of the flooring approaches?**

The ADE agrees with Ofgem's assessment of the distributional impacts.

### **2. Do you agree that, of the flooring options presented, flooring at 0 best meets the TCR Principles and Applicable CUSC Charging Objectives?**

The ADE supports flooring at 0 as the simplest temporary solution ahead of broader TNUoS reform.

However, it would note that this does create distortions between regions.

### **3. Do you agree with our assessment of the distributional impacts of the banding approaches?**

The ADE agrees with Ofgem's assessment.

### **4. Do you agree that, of the banding options presented, four bands best meets the TCR Principles and Applicable CUSC Charging Objectives?**

The ADE agrees with the introduction of four bands.

The distribution of demand sites across Transmission requires the introduction of 4 bands at Transmission – so that the proportion paid by each band is fairly distributed and closely resembles the distribution at EHV; thereby aligning with Ofgem's TCR Direction.

### **5. Do you consider that any of the options presented adequately addressed small users (including those associated with mixed use sites)?**

Given the significant difference between the residual charge faced by those on distribution and the smallest sites connected at transmission on a £/MWh basis, the ADE considers that further options to mitigate this impact, including exemptions, should be explored.

**6. Do you agree with our minded-to decision to approve CMP343 WACM2?**

Yes, the ADE supports this.

**7. Do you agree with our minded-to decision that implementation should be delayed by a year, until April 2023?**

The ADE agrees with the delay to April 2023.

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**For further information please contact:**

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