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DONG Energy Response to the CMA's Formal Consultation on the Energy Market (Transmission Losses) Order 2016

24 November 2016

DONG Energy welcomes the opportunity to respond to the Formal Consultation on the Energy Market (Transmission Losses) Order 2016. We have commented on the Load Flow Model, and on the drafting of the order.

Our ref. CMA Response - Second Draft Order
on Losses

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Load Flow Model

We have previously written to the CMA highlighting what we see as the benefits of having a public Load Flow Model, and would like to reiterate our views. Namely that:

- A public Load Flow Model would allow stakeholders, especially smaller organisations, to make their own forecasts and incorporate these forecasts into their decision making.
- As a backstop, have either National Grid or a National Grid agent forecast transmission losses. A 5-year window should be appropriate, similarly to how National Grid forecasts transmission charges (TNUoS).

We would encourage the CMA to engage with the P350 workgroup, National Grid and Elexon over possible ways of ensuring that the CMA's changes to losses have the CMA's desired impact, by ensuring stakeholders can account for and accommodate locational losses into their decision making.

Drafting of the Order

In our view the drafting for 3.1 and Schedule 3 4(a) could be further clarified. We have suggested an amended paragraph below:

"The Transmission Company shall ensure at all times that the costs of Transmission Losses are recovered from users of the Transmission System in a manner which is sensitive to the relative impact changes in each user's flow may have on Transmission Losses, based on the location of those users on the Transmission System."

If you have any questions on our response, please feel free to contact me (020 7811 1055, amos@dongenergy.co.uk).

Our ref. CMA Response - Second
Draft Order on Losses

Yours sincerely

Aled Moses
Regulatory Affairs Advisor