

Meeting minutes

Transmission Charging Methodologies Forum and CUSC Issues Steering Group 96

Date: 12/06/2019	Location: Faraday House Warwick and WebEx
Start: 10:30 AM	End: 13:30 PM

Participants

Attendee	Company	Attendee	Company
Jon Wisdom (JW)	National Grid ESO (Chair)	Josh Logan (JL)	Drax
Jennifer Groome (JG)	National Grid ESO (TCMF Technical Secretary)	Robert Longden (RL)	Cornwall Insight
Rachel Hinsley (RH)	Code Administrator, National Grid ESO (Presenter)	Peter Bolitho (PB)	Waters Wye Associates
Simon Sheridan (SS)	National Grid ESO (Presenter)	Simon Vicary	EDF
Mike Oxenham (MO)	National Grid ESO (Presenter)	James Kerr	Citizens Advice
Harriet Harmon (HH)	National Grid ESO (Presenter)	Paul Youngman	Drax
Andy Pace (AP)	Energy Potential (Presenter)	Colin Prestwich	Smartest Energy
Grace Smith (GS)	UK Power Reserve	Paul Mott	EDF Energy
Lorraine Nicholson (LN)	ESB	Scott Sandles	Ofgem
Daniel Hickman (DH)	Drax	Sally Lewis	National Grid Ventures
Paul Jones (PJ)	Uniper	Chia Nwajagu	Orsted
Tim Aldridge (TA)	Ofgem		

Agenda, slides and modifications appendices

<https://www.nationalgrideso.com/charging/transmission-charging-methodology-forum-tcmf>

TCMF and CISG Discussion and details

Please note: The minutes are produced as an accompaniment to the slide pack presented. The purpose of the minutes is to capture the main discussion points from the meeting only.

Actions update – Jon Wisdom, National Grid ESO

JW gave an update on TCMF & CISG meeting actions.

1. Action ID22 (status – complete) JW confirmed that details of the calculation were published in the TNUoS Tariffs document. He explained further that NGESO will consider the calculation in the CMP317 workgroup (which is looking at the Cap and Collar regime). RL approved of this approach.

Code Modifications Update – Rachel Hinsley, National Grid ESO

RH updated on the progress of current CUSC modifications (slides 8 – 16).

2. AP asked whether the workgroup dates for CMP317 have been decided. RH responded that the dates are still in discussion. RH shared that there will be a webinar on Friday 14 June to give an overview of the subject and the timescales.
3. MO asked whether the Authority Decision on CMP285 being made by 19 June is based on the usual SLA or whether Ofgem have said they are making a decision by then. RH explained it is hoped a decision will be made by 19 June as if a decision is not reached by then, the modifications cannot be included in the election for this year. RH clarified that 19 June is outside the SLA and that Ofgem have been clear they cannot be certain to make a decision by this date.
4. PB raised concern about the amount of modifications. RH explained that a lot of delays are caused when justified members of workgroups are unable to attend workgroups, which means the workgroup is cancelled. However, RH reassured PB that the situation does not seem worse than the last time this point was raised at TCMF. RH highlighted that four consultations went out in March which is good progress.
5. PB pointed out that the modification process was not designed to deal with the current volume of modifications and that prioritisation stack method should not be the norm. He stated that prioritisation means that some changes are delayed due to lack of resources.
6. NF queried whether any existing workgroups will need to be deferred so that CMP317 can be prioritised. RH confirmed that CMP317 may delay other modifications. RH explained modifications which require less effort and resource are being prioritised alongside larger modifications - CMP300 and CMP292 are examples of smaller modifications with fast turnaround times. The intention is to try not to stop any modifications however some modifications may be slower progressing whilst CMP317 is in flight.

Transmission Charging Methodology Forum

BSUoS Task Force update – Mike Oxenham, National Grid ESO

MO presented an update on the Balancing Services Charges Task Force (further details are available on <http://www.chargingfutures.com/>).

7. MO stated that the final report from the Task Force was published on 31 May, which concluded that BSUoS should be cost recovery charge.
 8. RL asked whether Ofgem fully endorse the conclusions from the Task Force and what work will they take forward. TA responded that prior to providing a view Ofgem are going to launch a four-week technical
-

consultation on elements of TCR and this will include a section on the published conclusions of the task force.

Targeted Charging Review timings update – Harriet Harmon, National Grid ESO

HH presented an [update on timings to the Targeted Charging Review](#).

9. PJ queried whether 2020 is the target date for CMP317. HH confirmed that there is no requirement from NGENSO for TGR reform to be implemented by 2020. HH stated that if TGR reform happens in 2021, it is sensible for CMP317 to also be implemented then. She explained that this does not become a compliance issue for a couple of years, however this cannot happen later than then.
10. HH explained the impact this has to transmission charges on slide 23. JW added there is potential for applying the wider tariff to distributed generation. HH added further there is potential for them to pay the non-residual elements of the TNUoS tariff but that this wasn't currently part of the groups' work.
11. JL asked for clarification on the implementation dates for CMP317. HH repeated the explanation.
12. JW stated that the NGENSO Revenue team are publishing their views at the end of this month (updated TNUoS forecasts) so the 2021 date was still subject to change. JW confirmed that NGENSO would inform industry if that were the case.

Potential CMP: Reconciling generic ALFs with actual data – Andy Pace, Energy Potential

AP presented a potential modification (see slides 25 – 32).

13. AP firstly explained that there will be no conflict of interest when this modification goes to Panel in terms of his Citizens Advice vote on behalf of the consumer, as a different representative for Citizens Advice will vote when it comes to this modification.
14. PB asked whether the proposed method would be mandatory for new generators in this category. AP confirmed it would be mandatory.
15. PJ questioned whether this should be thought about in a wider context and suggested that it could apply to all parties rather than only new parties, for example existing conventional generators. He raised that conventional plants are impacted by external factors such as fuel prices and weather. AP responded that he is happy for this to be considered in the workgroup.
16. PJ queried whether the reconciliation would be at the end of the year or two years after the charging year. AP responded that this would ideally be annual but would need advice from National Grid on how practical this is. PJ asked whether this would impact the NGENSO licence. JW responded that the over/under recovery period would carry financial impact depending on the size and if this crosses over years. He added, NGENSO would need to understand what that looks like to assess the risk behind the change.

CUSC Issues Steering Group

EBGL Article 18 update and next steps – Simon Sheridan, National Grid ESO

SS gave an update on the Electricity Balancing Guidelines Article 18 and the new timescales following Ofgem's decision letter on 4 June. SS also introduced the changes NGENSO are proposing in the CUSC to facilitate Ofgem signing off standard contract terms that are affected by Article 18 terms and conditions.

17. PJ asked if there would be any changes to specific clauses in the BSC and Grid Code. SS responded that Ofgem and Panel will be asked to approve any modification proposals where terms and conditions are impacted.
18. SS explained that modifications will follow similar process like the 1-month consultation. SS assured attendees that checkpoints in the process will ensure that NGENSO, Panel and the modification proposer have considered the impacts. The exact process is still to be decided but must consider that we are correct with compliance and EBGL itself.

Targeted market improvements – Mike Oxenham, National Grid ESO

A note was sent out in the invitation to the meeting asking attendees whether they think any further targeted improvements to CUSC should be explored in the future. The time was used to discuss views on this. If you have any queries or views regarding this topic, please contact Michael.Oxenham1@nationalgrideso.com

19. RL observed that resource would be required to do the work. He added that it would need consideration how outputs or inputs of that work would interface with existing governance arrangements.
20. JW stated that TCMF previously ran a pipeline of projected work. He advised that a formal governance process is not always necessary. JW highlighted that there is a large amount of expertise among the TCMF attendees which should be utilised as a standard approach to governance.
21. NF reminded attendees that a forward-looking view was presented at a previous TCMF. JW responded that this was an NGESO view and that there may be other things the NGESO aware of that industry want to bring forward.
22. PY queried whether there had been any update on TERRE yet. JW responded there is no specific update.

AOB

23. None.
-

Action Item Log

Action items: In progress and completed since last meeting

ID	Month	Agenda Item	Description	Owner	Notes	Target Date	Status
22	Feb-19	Actions	<p>JW took an action to speak to the revenue team to ascertain whether they could publish anything on the calculation of the error margin.</p> <p>Action updated in March: A request was for an explanation of the governance and the precise calculation of the error margin - showing evidence of methodology.</p>	JW	<p>An explanation was published in the TNUoS Tariffs document. NGESO will consider the calculation and in CMP132 workgroup which is looking at the Cap and Collar regime.</p>	Jun-19	Complete

Action items: Previously completed

If you wish to view any previously completed actions, please contact cusc.team@nationalgrid.com