

## Meeting minutes

### Transmission Charging Methodologies Forum and CUSC Issues Steering Group 97

<b>Date:</b>	10/07/2019	<b>Location:</b>	Faraday House Warwick and WebEx
<b>Start:</b>	10:30 AM	<b>End:</b>	12:00 PM

### Participants

Attendee	Company	Attendee	Company
Jon Wisdom (JW)	National Grid ESO (Chair)	Josh Logan	Drax
Jennifer Groome (JG)	National Grid ESO (TCMF Technical Secretary)	Grace Smith	Sembcorp
Rachel Hinsley (RH)	Code Administrator, National Grid ESO (Presenter)	Peter Bolitho	Waters Wye Associates
Mike Oxenham (MO)	National Grid ESO (Presenter)	Simon Vicary	EDF
Sarak York (SY)	National Grid ESO (Presenter)	Ankita Mehra	Ofgem
Jo Zhou (JZ)	National Grid ESO (Presenter)	Daniel Hickman	Drax
Harriet Harmon (HH)	National Grid ESO (Presenter)	Colin Prestwich	Smartest Energy
Andrew Colley (AC)	SSE	Mpumie Hlophe	Scottish Power
Robert Longden (RL)	Cornwall Insight	Neil Bennet	SSE
Joe Underwood	Energy UK	Sally Lewis	National Grid Ventures
Nicola Fitchett	RWE	Tim Aldridge	Ofgem
William Jago	Npower	Yonna Vitonova	Renewable UK
Ruth Kemsley	EDF		

## Agenda, slides and modifications appendices

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

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### TCMF and CISG Discussion and details

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*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**

There were no open actions.

#### **CUSC Issues Steering Group**

#### **Code Modifications Update – Rachel Hinsley, National Grid ESO**

RH updated on the progress of current CUSC modifications (slides 7 - 15).

1. CMP285: AC raised concerns about the timings for finalising the grouping. RH recognised that it is a fast turnaround and encouraged parties to get in touch as soon as possible if they are aware of any errors.

#### **Queue management and interactivity update – Mike Oxenham, National Grid ESO**

MO presented a verbal update on queue management and interactivity – sharing the progress that has been made through Open Networks and advising attendees of an upcoming consultation.

2. MO explained that further to previous consultations on queue management and interactivity Open Networks will be launching a further consultation on these two topics in the near future.
3. This consultation is expected to provide an overview of the options being considered and a preferred position and direction for both queue management and interactivity.
4. RL queried how long the consultation period will be and MO responded that this is yet to be determined.

#### **RIIO-2 update - Develop codes and charging arrangements that are fit for the future – Mike Oxenham, National Grid ESO**

MO presented the RIIO2 business plan timeline, and plan for ensuring code and charging arrangements are fit for the future. He shared some of the feedback already received from stakeholders before opening up to attendees for their feedback (slides 17 - 22).

5. MO recommended that attendees who are interested in this topic read the section in the [draft business plan](#) which has been recently published and provide feedback.
  6. AC queried the “transform the process to amend the codes” element (slide 20) and suggested that the proposed might make it easier for people to accuse the ESO of bias in future. He asked whether there is a danger of a conflict of interest with NGEN becoming a Code Manager considering the CUSC is a commercial contract. MO said he felt that with alignment between RIIO-2 arrangements and Code Manager governance (i.e. with appropriate controls in place) any perception of a conflict of interest could be sufficiently addressed. AC had reservations and stated he would like to see further details of how this would work in future when available.
  7. MO also noted that concerns could be addressed by increased trust and transparency in the role of Code Manager e.g. by being transparent in all decision-making processes, by giving clear reasons for decisions, by providing opportunities for other parties to give feedback and be involved in the process and by ensuring every party has access to the same information.
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8. RL suggested that to promote confidence the ESO Code Manager function should be independent from the ESO functions and he sought clarification on whether there will be a separate code management function in the ESO. MO responded that this has not yet been decided and could be an option and that another option could be that (with appropriate controls in place) there could be less of a distinction between ESO and Code Manager in future.
  9. RL queried who would decide what the strategic changes are and how those would then be prioritised. MO responded that this is being considered under the Energy Code Review. NGESO's initial view is that there would be an overarching strategic direction created (with stakeholder engagement) above the Code Manager roles and as a Code Manager NGESO would have responsibility for some elements of the strategic delivery in line with this overarching strategic direction.
  10. AC queried when more solid proposals will be brought forward. MO responded that thoughts and plans on this area (both in ESO and industry) are still evolving due to both the Energy Code Review and the ESO RIIO-2 Business Plan process so more detailed proposals for change will be developed in line with these programmes.
  11. RL suggested that the proposals for NGESO to have a larger role in code management would require more resource and with a more specialised skillset. MO agreed that capacity and capability increases would be required for a Code Manager and that this transition has started over the last couple of years. Further detail on improvements related to the ESO Code Administration role can be found in the [ESO Forward Plan 2019-2021](#).
  12. MO stated that NGESO is happy to further discuss their emerging proposals with stakeholders on a bilateral basis and if anyone would like to further discuss they can get in contact with MO.

#### Reforming Energy Code Content – Sarah York, National Grid ESO

Prior to the meeting a link was sent to attendees to read the [thought piece](#) which was published by the ESO. SY presented the context, approach and a CUSC case study. She then asked attendees for their views and feedback on the proposed approach (slides 23 - 28).

13. RL stated his admiration for the objective to make codes less complex, however advised that legal text is used to ensure that the codes are legally enforceable and robust. SY responded that there is a need to strike the optimal balance and that this approach couldn't be applied to all of the codes to the same extent.
  14. AC queried whether an approach similar to what is used with the Balancing and Settlements Code (BSC) could be used. He explained that the BSC has a legal text as well as an additional guidance text. AC advised that Lawyers need to be able to rely on the legal text.
  15. AC queried to what extent the legal text can be changed in terms of European legislation on network codes. MO responded that if there is something that needs to be in the code in a specific way then this wouldn't be changed. He added further that changes would be made on a case by case basis depending on each code and section.
  16. AC suggested that if code is not written in a legally robust matter, it would not be enforceable in court. MO responded that the changes the ESO have suggested in the case study have not changed the process. He suggested there is much information that does not need to be included in the code at all, which can be referenced to instead. MO advised that Section 14 of CUSC might have less opportunity to remove the density as it is important it is clear who needs to pay what.
  17. RL highlighted that this would require a lot of work and asked whether NGESO plans to do it. MO responded that before changing the code in its current form, we will need to wait to see if the structure of the codes will be changing first. He advised that change will be in the RIIO2 timescale.
  18. AC asked whether the case study in the thought piece. SY responded that the full case study is in the appendices of the document.
  19. TCMF attendees have the opportunity to review and provide comments on the thought piece to [sarah.york@nationalgrideso.com](mailto:sarah.york@nationalgrideso.com)
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**Transmission Charging Methodology Forum**

**Reviewing TNUoS generation zones for RII02 – Jo Zhou, National Grid ESO**

JZ explained the reasons why the zoning review is needed, before presenting different ways of zoning and ESO's recommendation. She then asked attendees for their feedback (slides 30 – 46).

One of NGENSO's CUSC obligations is to review the zones at the beginning of every price control period.

20. RL queried whether NGENSO have tested that aligning generation and demand zones provides sufficient investment signals, given there would be a lot less zones than currently. JZ responded that the difference between the minimum and maximum value of the tariff would not be a step change from what it is now but it may have a bigger impact on certain fuel types. JW stated that NGENSO are figuring out options because the current methodology isn't sustainable into the next price control. He explained that there will be a robust discussion on this in the workgroup and they will be happy to talk about it at a future TCMF.

21. JZ added that ESO is driving this now because they need to forecast RII02 in the next few months.

**AOB**

22. None.

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## Action Item Log

Action items: In progress and completed since last meeting

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ID	Month	Agenda Item	Description	Owner	Notes	Target Date	Status
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(No open actions)

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Action items: Previously completed

If you wish to view any previously completed actions, please contact [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com)