

Code Administrator Meeting Summary

Meeting Name – CMP337/338 Workgroup 2

CMP337 – ‘Impact of DNO Contributions on Actual Project Costs and Expansion Factors’

CMP338 - ‘Impact of DNO Contributions on Actual Project Costs and Expansion Factors – New Definition of Cost Adjustment’

Date: 20 April 2020

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Key areas of discussion

- The workgroup reviewed the calculations from the ESO on the absolute and distributional effects of the three scenarios:
 1. Link charged as a local circuit
 2. Link costs included within generation zone 1
 3. Link costs included within a new Shetland generation zone
- The workgroup developed a table that summarised the impacts on different parties between the three scenarios. The tables purpose is to help scrutinise the effectiveness of each scenario in contributing towards the costs of a new link to Shetland. The table will be used within the workgroup consultation.
- Timelines of the modification were discussed and focused on the timing of the workgroup consultation which will now aim for publication on 27 April. The workgroup concluded it will likely be unfeasible to hold the consultation for longer than 5 working days.

The next workgroup will be held on 7 May 2020; following the consultation closing.

Action number	Date raised	Owner	Action	Date due
1	8 April 2020	EH	ESO to complete analysis of the different wider tariffs with contribution as per the workbook	24 April 2020
7	20 April 2020	EH	ESO to confirm if the Local Circuit Tariff decrease over the years	24 April 2020
8	20 April 2020	EH	ESO to update scenario tables to show the £m figures for no contribution and with a contribution with the “benefit/cost” being the delta.	24 April 2020
9	20 April 2020	EH	ESO to produce two scenarios for Local Circuit Tariffs. One with a full 600MW link and one with a 457MW link to reflect the potential for a staggered development of generator capacity on the islands (refer to as “a Shetland developer”).	24 April 2020
10	20 April 2020	EH	ESO to show the impact on the Demand Locational for Zone 1 demand.	24 April 2020
11	20 April 2020	EH	ESO to change the generator TEC and terminology to refer to a full 600MW on Shetland and anonymise to “Shetland generator benefits” within the analysis.	24 April 2020
12	20 April 2020	Code Admin	CA to circulate the revised timetable for CMP337/CMP338.	21 April 2020
6	8 April 2020	Code Admin	CA to review the proposed timetable and report back to the Workgroup.	20 April 2020

For further information, please contact the Code Administrator.