

CMP344 Workgroup 1 – Post Send Back

Thursday 9 September 2021

Online Meeting via Teams

WELCOME



nationalgridESO

The slide features several decorative yellow lines. In the top left, there are several thin, curved lines that sweep upwards and to the right. In the bottom right, there are several thick, parallel diagonal lines that sweep upwards and to the right, creating a sense of motion and modern design.

Objectives and Timeline

Paul Mullen – National Grid ESO Code Administrator

Timeline for CMP344 V3 as at 13 August 2021

Milestone	Date	Milestone	Date
Workgroup 1 – clarity from Ofgem on expectations, agree timeline, review terms of reference, which costs are covered and agree next steps	9 September 2021	Panel undertake DFMR recommendation vote	17 December 2021
Workgroup 2 – finalise Legal Text, impact analysis, review output and ensure we have addressed all terms of reference	w/c 11 October 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	20 December 2021
Present findings to Panel – <i>not for approval</i>	29 October 2021 (Papers 21 October 2021)	Final Modification Report issued to Ofgem	5 January 2022
Code Administrator Consultation (15 Working Days)	1 November 2021 to 5pm on 22 November 2021	Ofgem decision	TBC
Draft Final Modification Report (DFMR) issued to Panel	9 December 2021	Implementation Date	TBC

What did Ofgem say?

Paul Mullen – National Grid ESO Code Administrator

Ofgem's Send Back Decision – 5 May 2021

Deficiencies of Final Modification Report

“The submitted FMR has the following deficiencies, which means that we are unable to form an opinion:

- a. It is not clear from the FMR which OFTO costs the Proposal applies to;*
- b. It is not clear from the legal text which OFTO costs the Proposal applies to; and*
- c. There is therefore no quantitative information regarding how the change impacts each set of network users”*

Ofgem's Expectations

“We therefore direct that further work is undertaken to address these deficiencies, including:

- 1. The costs and/or events affected by this Proposal clearly set out, with reasoning;*
- 2. Analysis of the impact of the reforms on affected parties – to the extent that this Proposal represents a policy change, some indication of the magnitude of change should be presented once the parameters in (1.) above have been set; and*
- 3. Legal text which clearly sets out the exact methodology the ESO should follow – in our view the current iteration of the legal text is not capable of being implemented as it is particularly unclear when ESO would be required to move costs into the demand residual. We also expect to see improved consistency between the legal text and FMR.”*

“We require the revised FMR to be very clear about what changes are being made, to explain the impacts on all affected parties and to ensure that the FMR and legal text are consistent”

Ofgem's Send Back Decision – 5 May 2021

Interaction with Offshore Transmission Network Review

“We would like to make it clear that consideration will be given to the offshore regime in the Summer of this year in the Offshore Transmission Network Review being carried out by us and BEIS. This work will consider what changes, if any, are needed to reach the increased target of 40GW of offshore wind by 2030, as set out in the Prime Minister’s Ten Point Plan. We suggest that the Workgroup considers whether this review might provide a better forum to propose any changes to the charging arrangements for participants in the OFTO regime.”

What is the ask on the Workgroup?

Paul Mullen – National Grid ESO Code Administrator

CMP344 – Governance Rules for Send-Backs and Panel Asks

8.23.12 If the **Authority** determines that the **CUSC Modification Report** is such that the **Authority** cannot properly form an opinion on the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**, or where the **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification(s)** constitutes an **EBGL Amendment** where the **Authority** requires an amendment to **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification(s)** in order to approve it, it may issue a direction to the **CUSC Modifications Panel**:

- (a) specifying the additional steps (including drafting or amending existing drafting associated with the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and
- (b) requiring the **CUSC Modification Report** to be revised and to be re-submitted.

8.23.13 If a **CUSC Modification Report** is to be revised and re-submitted in accordance with a direction issued pursuant to Paragraph 8.23.12, it shall be re-submitted as soon after the **Authority's** direction as is appropriate, (and in the case of an **EBGL Amendment** within 2 months), taking into account the complexity, importance and urgency of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**. The **CUSC Modifications Panel** shall decide on the level of analysis and consultation required in order to comply with the **Authority's** direction and shall agree an appropriate timetable for meeting its obligations. Once the **CUSC Modification Report** is revised, the **CUSC Modifications Panel** shall carry out its **CUSC Modifications Panel Recommendation Vote** again in respect of the revised **CUSC Modification Report** and re-submit it to the **Authority** in compliance with Paragraphs 8.23.4 to 8.23.6.

May 2021 Panel agreed next steps following send-back on 5 May 2021:

They **NOTED** that Ofgem are asking the Final Modification Report and Legal Text to be updated

They **AGREED** that this needs to be assessed by a Workgroup

They **AGREED** Workgroup's Terms of Reference

They **AGREED** (following the assessment by the Workgroup) that a Code Administrator Consultation is needed to be run before it is re-presented to Panel for Recommendation Vote

Terms of Reference

Paul Mullen – National Grid ESO Code Administrator

CMP344 – Terms of Reference

- Consider whether or not the Offshore Transmission Network Review might provide a better forum to propose any changes to the charging arrangements for participants in the OFTO regime
- Clarify in the Final Modification Report which OFTO costs that CMP344 applies to
- In the Legal Text a) clarify which OFTO costs that CMP344 applies to and b) clearly sets out the exact methodology the ESO should follow
- Ensure consistency between the Final Modification Report and Legal Text
- Provide quantitative analysis as to how CMP344 impacts each set of network users

Proposer's Slides

Tom Steward - RWE