

## Code Administrator Meeting Summary

**Meeting Name:** CMP286/CMP287 Workgroup 8

**Date:** 13 January 2022

### Contact Details

**Chair:** Paul Mullen, National Grid ESO [Paul.Mullen@nationalgrideso.com](mailto:Paul.Mullen@nationalgrideso.com)

**Proposer:** Niall Coyle, E.ON [Niall.coyle@eonenergy.com](mailto:Niall.coyle@eonenergy.com)

### Key areas of discussion

- CMP286/CMP287 seeks to provide certainty to inputs into the TNUoS charging methodology that market participants cannot forecast, thereby making the costs that customers pay more reflective of the final charge. Consequently, the Proposer argues that this will reduce the risk premia charged by suppliers to consumers.
- The primary purpose of the meeting was to review the analysis and further understand how moving the cost recovery / inaccuracy risk from Suppliers to Transmission Owners will ultimately provide a benefit to consumers. In their analysis, the Proposer concluded that there would be reduced risk premia for 12 months of an 18 month contract; however, the actual risk premia is confidential information (which can be shared directly with Ofgem). The Workgroup concluded that a further request for information on risk premia is unnecessary given the last one was only ~ 2 years ago.
- The Workgroup noted that the cost recovery risk sits with the Transmission Owners and the Transmission Owner will engage further with Ofgem (to understand whether Ofgem can bring their current process forward to reduce uncertainty for Transmission Owners or the Transmission Owners will need to provide estimates, which will be less accurate given the increased notice period, and seek to recover in the following year).
- The ESO agreed that between this meeting and the Workgroup on 24 February 2022, they will explore with the TOs, how the STC processes may change, which will be a good starting point for the consequential STC change that will be required.

- The Proposer confirmed that in their Original proposal, the expectation is that the November annual iteration process will look at Year + 2 rather than, as now, Year + 1. The ESO’s initial view is that their process won’t change but agreed to confirm ahead of Workgroup on 24 February 2022.

**The following actions were noted:**

**Actions Log**

Action Number	Action	Owner	Due by	Status
1	Proposer to update their analysis to add assumptions and cover previous years not impacted by Covid-19 and share with Workgroup	Niall Coyle	21 January 2022	Open
2	Confirm initial view that CMP286/287 Original solution does not change to ESO tariff setting process	Nicola White / Jo Zhou	17 February 2022	Open
3	Share draft legal text ahead of the next workgroup meeting	Nicola White	17 February 2022	Open
4	Provide clarity on any process changes, licence changes and price control implications	Shannon Murray	17 February 2022	Open
5	Proposer to provide wording to clarify how CMP343 interacts with CMP287	Niall Coyle	17 February 2022	Open
6.	ESO and TOs to meet to discuss STC changes	Nicola White Richard Woodward/Craig Pollock	Ahead of next meeting	Open

**Next Steps:**

- The next Workgroup will be on **24 February 2022** – the focus of these is to finalise solution to be consulted on, review legal text, agree alternatives and agree Workgroup Consultation questions.

**Attendees**

Name	Company	Role
Paul Mullen	Code Administrator National Grid ESO	Chair
Sally Musaka	Code Administrator National Grid ESO	Technical Secretary
Nicola White	National Grid ESO	Workgroup Member
Jo Zhou	National Grid ESO	Workgroup Member
Niall Coyle	E. ON	Proposer
Richard Woodward	NGET	Workgroup Member
Shannon Murray	Ofgem	Observer
Craig Pollock	SHE Transmission	Workgroup Member
Garth Graham	SSE	Workgroup Member
Robert Longden	Cornwall Energy	Workgroup Member
Simon Vicary	EDF Energy	Workgroup Member
Colley Andrew	SSE Generation	Workgroup Member Alternate
Paul Youngman	Drax	Workgroup Member Alternate

For further information, please contact Paul Mullen