

Meeting Summary

Transmission Charging Methodologies Forum and CUSC Issues Steering Group 127

Date: 06/10/2022	Location: MS Teams
Start: 10:30am	End: 12:20pm

Participants

Attendee	Company	Attendee	Company
Claire Huxley (CH)	NGESO (Chair)	Andrew Hemus (AH)	NGESO (Tech Sec)
Paul Mullen (PM)	NGESO (Presenter)	Nick Everitt (NE)	NGESO (Presenter)
Paul Mott (PMo)	NGESO (Presenter)	Nitin Prajapati (NP)	NGESO (Presenter)
David Witherspoon (DW)	NGESO (Presenter)	Dan Hickman (DH)	NGESO (Presenter)
Matthew Cullen (MC)	EON Energy	Kate Livesey (KL)	Drax
Giulia Licocci (GL)	Oceanwinds	Chiamaka Nwajaga (CN)	Orsted
Robert Longden (RL)	Cornwall Energy	Coreen Campbell (CC)	SSE
Nicola Fitchett (NF)	RWE	Alan Currie (AC)	Ventient Energy
Alice Taylor (AT)	NGESO	Binoy Dharsi (BD)	EDF Energy
Matthew Patrick (MP)	Ofgem	Mark Fletcher (MF)	Shell Energy
Kyran Hanks (KH)	Waters Wye Associates	Chris Wright (CW)	St Clements
Steven Mcknight (SM)	Engie UK Power	Mark Harland (MH)	EON Energy
Niall Coyle (NC)	EON Energy	Gavin Baillie (GB)	SSE
Naomi De Silva (NS)	NGESO	Andrew Havvas (AHa)	NGESO
Dimuthu Wijetunga (DW)	Shell Energy	Davinder Sanghera (DS)	NGESO
James Stone (JS)	NGESO	Tom Steward (TS)	RWE
David Boyland (DB)	SSE	Robert Newton (RN)	Zenobe
Rustam Majainah (RM)	OVO	Jheauelle Thomas (JT)	NGESO
Øyvind Bergvoll (ØB)	Equinor	Graham Pannell (GP)	Fred Olsen
Kimbrah Hiorns	Ofgem	Rein de Loor (RdL)	NGESO
Rob Fowler (RF)	Scottish Power	Ahna Taylor (AT)	SSE

Karen Lilley-Thompson (KLT)	NGESO	Banke John-Okwesa (BJO)	NGESO
Ryan Ward (RW)	Scottish Power	Nicola White (NW)	NGESO
George Moran (GM)	Centrica	George Douthwaite (GD)	ITPEnergised
Grace March (MMa)	Sembcorp	Jo Zhou (JZ)	NGESO
Neil Dewar (ND)	NGESO	Grahame Neale (GN)	Baringa

Agenda, slides, and modifications appendices

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc/tcmf-cisg>

TCMF and CISG

Please note: These notes are produced as an accompaniment to the slide pack presented which can be found here: <https://www.nationalgrideso.com/document/268301/download>

- **Meeting Opening - Claire Huxley, National Grid ESO**
CH opened the meeting providing an overview of the agenda items for discussion, asked for any AOB items and reviewed the Action Item log.
- **Code Modifications Update - Paul Mullen, Code Administrator National Grid ESO**
PM shared details of the progress of current modifications. See slides for more detail.

Discussion themes / Feedback

None

- **CMP395 Update - Nick Everitt, National Grid ESO**
NE gave an update on the approval of CMP395 WACM 3. See slides for more detail.

Discussion themes / Feedback

GP asked with the original proposal proposing a cap of £15/MWh what is the rationale of the £40/MWh in the approved WACM3. NE shared his thoughts on analysis that with the limit on the deferral of £250m the £40/MWh would last the entirety of the scheme. £15/MWh would risk the fund being breached in November and the remainder of the winter/scheme would be uncapped. The scheme is designed to protect against the peaks of the extreme costs. CN asked for overview of separate pots for generators recovery. NE deferred total split into fixed tariff. MC asked as for recent similar code modifications, the cap has always been constrained by the amount of financing that the ESO is prepared to fund. Is there any scope for getting an independent view on what this level could/should be? NE commented that NGESO has other financial commitments other than CMP395, winter contingency for example, ESO's capital fund. Ofgem provided challenge to the cap level and £250m is the highest amount the ESO can, and has ever, provided for a BSUoS cap.

- **CMP361 Draft Tariff - Nick Everitt, National Grid ESO**
NE gave an update on CMP361. See slides for more detail.

Discussion themes / Feedback

GM asked about the approach to P99 funding short term / longer term run. NE the main tariff predicted costs fixed tariff would be following forecasts this year. Alongside this would be risk scenarios that would lead to the need to reset tariffs. DW BSUoS fund P99 £574M billed over 5yrs. NE clarified that the £574M not based on the current numbers seen this year. 5yrs is in the Ofgem minded to letter, but there is a WACM for 2 years. Numbers being seen now, the 5yrs seems logical. GP raised a question around

the deferred generator BSUoS forecast. NE used the example from the previous BSUoS price cap of £121.5M settlement, and payment being made for this cap between 1st April – 1st Dec. It is divided across the settlement days generation portion. The updated view will be in next the BSUoS forecast, but separate from the normal forecast.

- **Review of TDR transmission band boundaries - Paul Mott, National Grid ESO**

PMo shared details of a Review of TDR transmission band boundaries. See slides for more detail.

Discussion themes / Feedback

None

- **OTNR Anticipatory Investment (AI) Charging and User Commitment CUSC Modifications - Nitin Prajapati & David Witherspoon, National Grid ESO**

NP & DW shared details on OTNR Anticipatory Investment (AI) Charging and User Commitment CUSC Modifications. See slides for more detail.

Discussion themes / Feedback

RL applauded the teams' efforts and seemed entirely sensible. A question was asked if User feedback was something that would be considered. DW confirmed this would be the case and later users should have some liabilities. DW also shared feedback that there is appetite to move this forward.

- **Declarations for this year - Dan Hickman, National Grid ESO**

DH shared details on Declarations for this year. See slides for more detail.

Discussion themes / Feedback

GP asked if the form would also be used by DNO's. DH clarified that it would not. GP would be grateful if coordination with DNO's could take place. CH agreed that harmonisation of the forms would be beneficial and there is work going on with DNO's. AC thought that a single approach to CVA and SVA registered sites would be beneficial to which DH agreed. GM asked if embedded generation are required to submit a declaration. DH confirmed they will, or they will be assumed to be demand. DH asked people to get in touch daniel.hickman@nationalgrideso.com if a BSC party and they had not received a form by the end of November.

- **AOB**

- **Housekeeping Modifications - Claire Huxley, National Grid ESO**

The ESO plan to raise two housekeeping modifications to the CUSC in October, on a Self-Governance Basis. The modifications, which will be known as CMP399 (Section 14) and CMP400 (Non-Section 14) aim to amend small typographical and numbering changes to the CUSC. The changes involve updating any out-of-date references, new paragraph referencing and revision of duplicate numbering. As this is proposed to take a Self-Governance route, neither modification will need approval from Ofgem. We hope this will tidy up various minor errors in the CUSC with no material impacts.

- **Potential new BSUoS mod – introducing seasonal fixed rates from 1 April 2023 - Nick Everitt**

NE shared details of a Potential new BSUoS mod – introducing seasonal fixed rates from 1 April 2023 See slides for more detail.

Discussion themes / Feedback

RL asked if the WG report multi rate tariffs had been incorporated into your thoughts. NE is assured that this has been looked at, maybe this is just an issue this year. In the latest forecast this doesn't look like an issue next year. NE flagged a webinar to take place at the end of the month and to send any questions/feedback to bsuos.queries@nationalgrideso.com. GM raised a question around the cash neutral statement. NE clarified that there is no change to overall amount. It was highlighted that it's not cash neutral to suppliers as contracts are different between Summer and Winter. NE Summer and Winter tariffs would be set at the same time and 3 months in advance.

GB asked about the timeline to Code reform with the headline due in October. **ACTION 22-13** to reach out to Ofgem to get update.

Action Item Log

Action items: In progress

ID	Description	Owner	Notes	Target Date	Status
22-13 Oct 6	To reach out to Ofgem for update on timescales for Code reform headline.	Claire Huxley		Nov	New

Action items: completed

ID	Description	Owner	Notes	Target Date	Status
22-11 Aug 22	In terms of the guidance, it would be good to have the current landscape, moving parts and the NGESO position.	Joseph Henry	The initial draft has been shared with WG members which is being reviewed currently.	Sept	Closed
22-12 Aug 22	Check on the internal appetite for stakeholder event winter outlook / winter preparedness forum and wider aspects.	Claire Huxley	We will continue to engage with industry on winter outlook/preparedness through the Operational Transparency Forum each week. In addition, we held a listening session on the 29th July which we are progressing through the ideas submitted by industry	Sept	Closed