



**Transmission Charging
Methodologies Forum and
CUSC Issues Steering
Group**

Meeting 133 - 06 April 2023

Agenda

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|---|--|---------------|
| 1 | Introduction, meeting objectives and review of previous actions Claire Huxley - ESO | 10:30 - 10:35 |
| 2 | Code Administrator update Paul Mullen - Code Administrator ESO | 10:35 - 10:45 |
| 3 | GB Connections Reform Dovydas Dyson - ESO | 10:45 - 10:55 |
| 4 | Verbal update on STAR Billing System Nick George - ESO | 10:55 - 11:00 |
| 5 | Isolated MITS - Impact on TNUoS Jo Zhou ESO | 11:00 - 11:15 |
| 6 | TCMF Sub-group – Enduring Fixed BSUoS verbal update Claire Huxley - ESO | 11:15 - 11:20 |
| 7 | 10-year TNUoS forecast Nick Everitt - ESO | 11:20 - 11:30 |
| 8 | AOB and Meeting Close Claire Huxley - ESO | 11:30 - 11:45 |
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TCMF Objective and Expectations

Objective

Develop ideas, understand impacts to industry and modification content discussion, related to the Charging and Connection matters.

Anyone can bring an agenda item (not just the ESO!)

Expectations

Be respectful of each other's opinions and polite when providing feedback and asking questions

Contribute to the discussion

Language and Conduct to be consistent with the values of equality and diversity

Keep to agreed scope

Review of previous actions

ID	Month	Agenda Item	Description	Owner	Notes	Target Date	Status
23-01	Jan 23		ESO to look at the introduction of a "CUSC Modification Issues Log"	Claire Huxley	This action has been looked at but not a priority in terms of our available resource against the current workload. If anyone has any ideas how this could work, please get in touch. Will close in April if nobody gets in touch.	Feb	Closed
23-02	Mar 23		To present a deep dive on the TO revenue change from November forecast to January final tariff at TCMF.	Nick George / Nick Everitt		May	Open

Code Administrator update

Paul Mullen - Code Administrator ESO



Key Updates since last TCMF

New Modifications

- **CMP413** (Rolling 10-year wider TNUoS generation tariffs) – Medium High priority; 1st Workgroup 11 May 2023 - Workgroup Nominations open until 5pm on 26 April 2023

Decisions

- **CMP384** (Apply adjustments for inflation to manifest error thresholds using Indexation) – Original approved 31 March 2023. Implemented 1 April 2023.
- **CMP288** (Charging arrangements for customer delays and backfeeds) was expected 31 March 2023 but not yet received. Ofgem to advise on new expected decision date

Key Updates since last TCMF

Current Consultations

- **CMP376** (Queue Management) - Code Administrator Consultation to run until 5pm 4 May 2023.

Other

- **CMP385** (Improvements to Securities and Liabilities provisions within CUSC) - To be formally withdrawn at CUSC Panel 28 April 2023
- **CMP396** (Re-introduction Of BSUoS on Interconnector Lead Parties) - Independent legal advice sent to Workgroup. Call between Workgroup and independent legal firm w/c 10 April 2023.
- **CMP398** (GC0156 Cost Recovery mechanism for CUSC Parties) – March 2023 Panel agreed Workgroup had met Terms of Reference. Code Administrator Consultation to run in parallel with GC0156 (currently 3 May 2023 to 2 June 2023).
- **CMP408** (Allowing consideration of a different notice period for BSUoS tariff settings) – 2nd Workgroup and separate Fixed BSUoS subgroup to be held 13 April 2023.
- **CMP410** (Payment Timescales for Monthly Payments) – Appeals Window 14 April 2023 to 5pm on 9 May 2023.
- **Implementations** – 13 implementations 1 April 2023 including the remaining TCR Modifications and key BSUoS changes.

Useful Links

For updates on all “live” Modifications please visit our “Modification Tracker” [here](#)

Ofgem’s expected decision date / date they intend to publish an impact assessment or consultation, for code modifications/proposals that are with them for decision is [here](#)

For summary of key decisions at latest Panel please click [here](#)

For current prioritisation stack please click [here](#)

CUSC 2023 - Panel dates

CUSC	Panel Dates	Papers Day	Modification Submission Date	(TCMF) CUSC Development Forum
January	27 (Face to Face Meeting)	19	12	5
February	24	16	9	2
March	31	23	16	9
April	28 (Face to Face Meeting)	20	13	6
May	26	18	11	4
June	30	22	15	8
July	28 (Face to Face Meeting)	20	13	6
August	25	17	10	3
September	29	21	14	7
October	27 (Face to Face Meeting)	19	12	5
November	24	16	9	2
December	15	7	30/11	23/11

GB Connections Reform

Dovydas Dyson - ESO



Project Overview

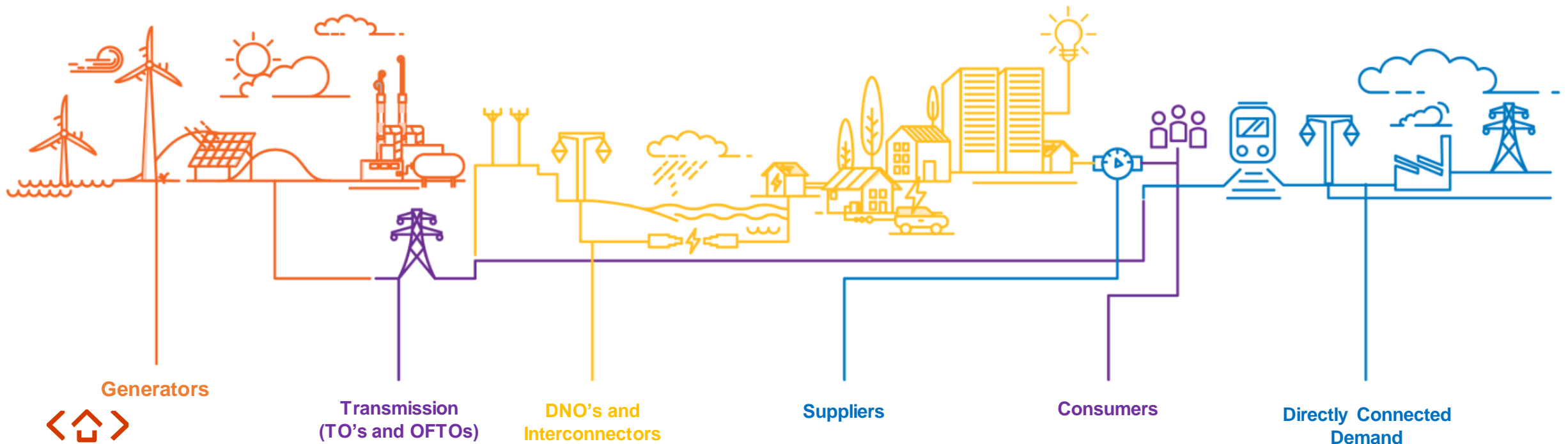
There is consensus across the industry that the current connections process is no longer fit for purpose. The main challenges previously highlighted are:

- increasing application volumes and increases to connection timescales
- many new types of connection customer
- significant changes to the mix of technologies
- greater interaction between Transmission and Distribution networks
- greater complexity and uncertainty over network investment planning
- an urgent need for holistic, whole systems network investment planning

We have launched the GB Connections Reform project to fully understand and comprehensively address these challenges.

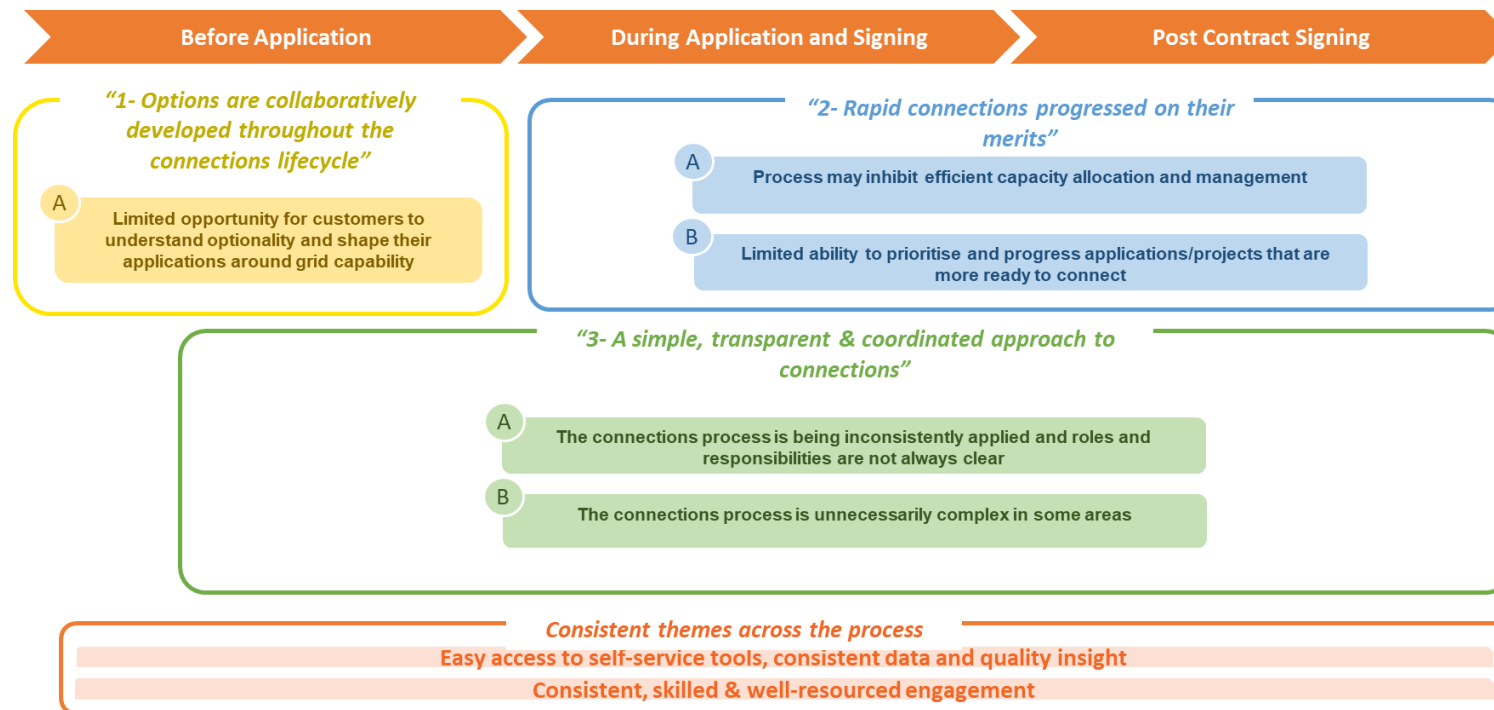
Phase 1 set out the Case for Change in December 2022.

We are now in Phase 2, which is the design phase running until Spring 2023.



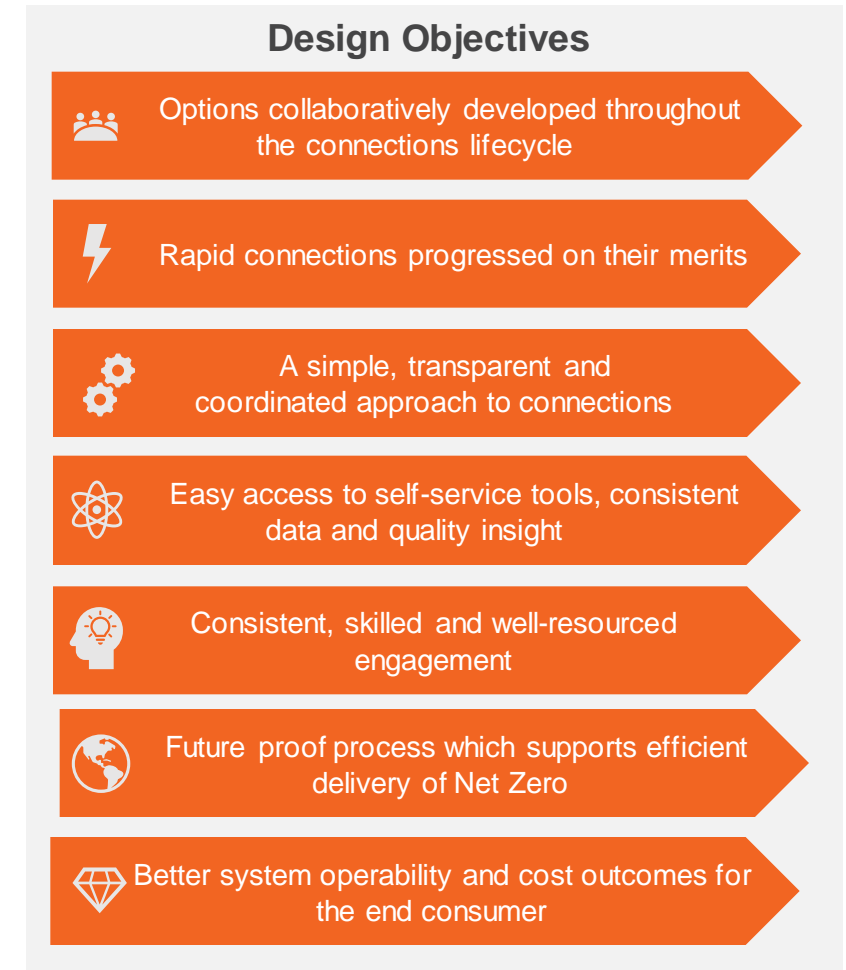
The Case for Change and Design Objectives

Phase 1: The Case for Change for Connection Reform



The full Case for Change for Connection Reform (produced in Phase 1) is available on our website - <https://www.nationalgrideso.com/document/273021/download>

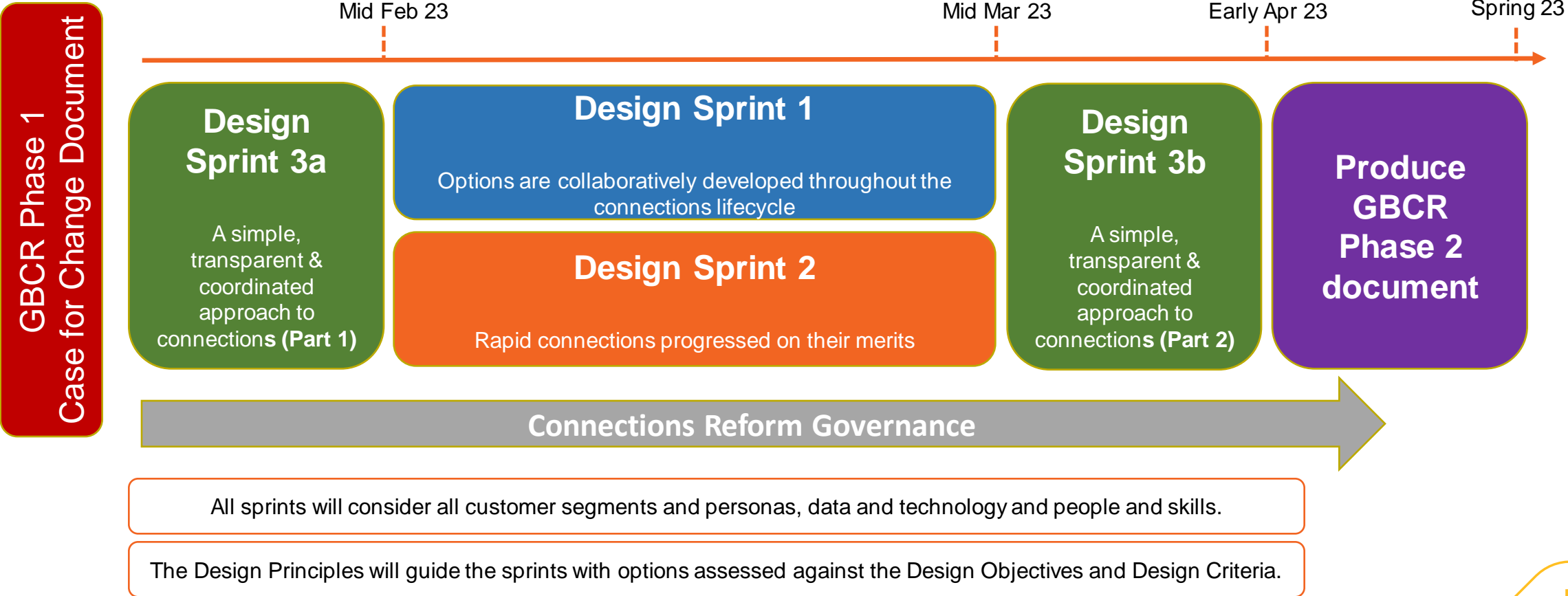
Phase 2: Design Objectives



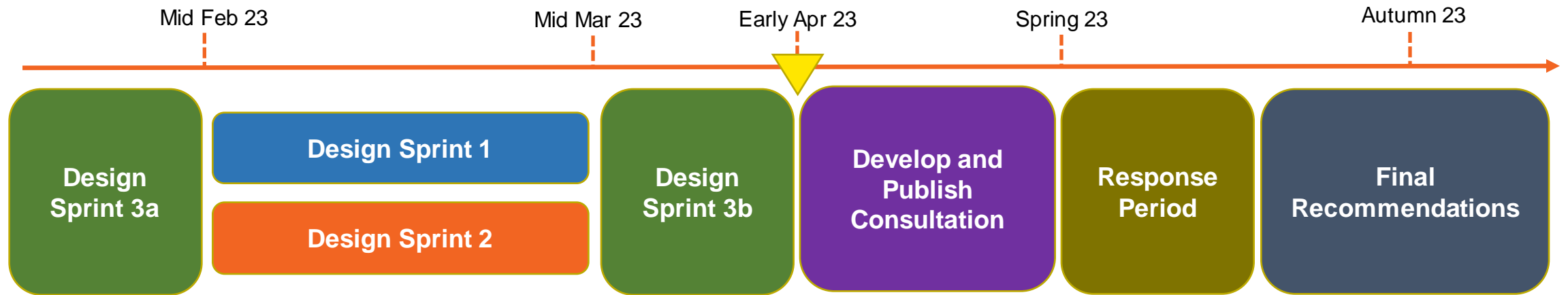
Phase 2 Structure and Timeline

We are now in the process of progressing GB Connections Reform Phase 2

Phase 2 of the GB Connections Reform project builds upon the Case for Change (created in Phase 1) to develop a range of possible options for reforming the connections process. This will be done in an agile manner via a number of 'sprints' which, when combined, will consider the full breadth of possible options.



Next Steps



- Sprint 3b outputs to be taken to the Steering Group in April 2023
- Consultation to be drafted in May 2023
- Consultation (including recommendations) to be published in June 2023
- Final recommendations, post-consultation, likely to be published Autumn 2023

Steering Group minutes published to date can be found here - [Connections Reform | ESO \(nationalgrideso.com\)](#)

Continuing the conversation



Email us with your views on this document at:

box.connectionsreform@nationalgrideso.com and one of our team members will get in touch.

Get involved by ensuring you sign up to our newsletter

[Get the latest from ESO - Customer Connections \(nationalgrid.co.uk\)](https://nationalgrid.co.uk)

For further information on ESO publications please visit: nationalgrideso.com

Write to us at:

**Electricity System Operator
Faraday House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA**



Verbal update on STAR Billing System

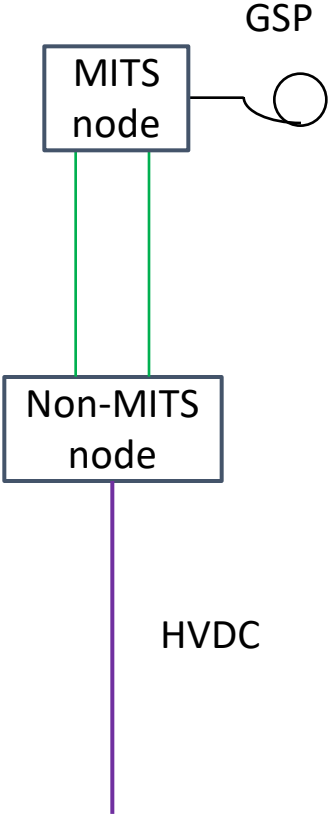
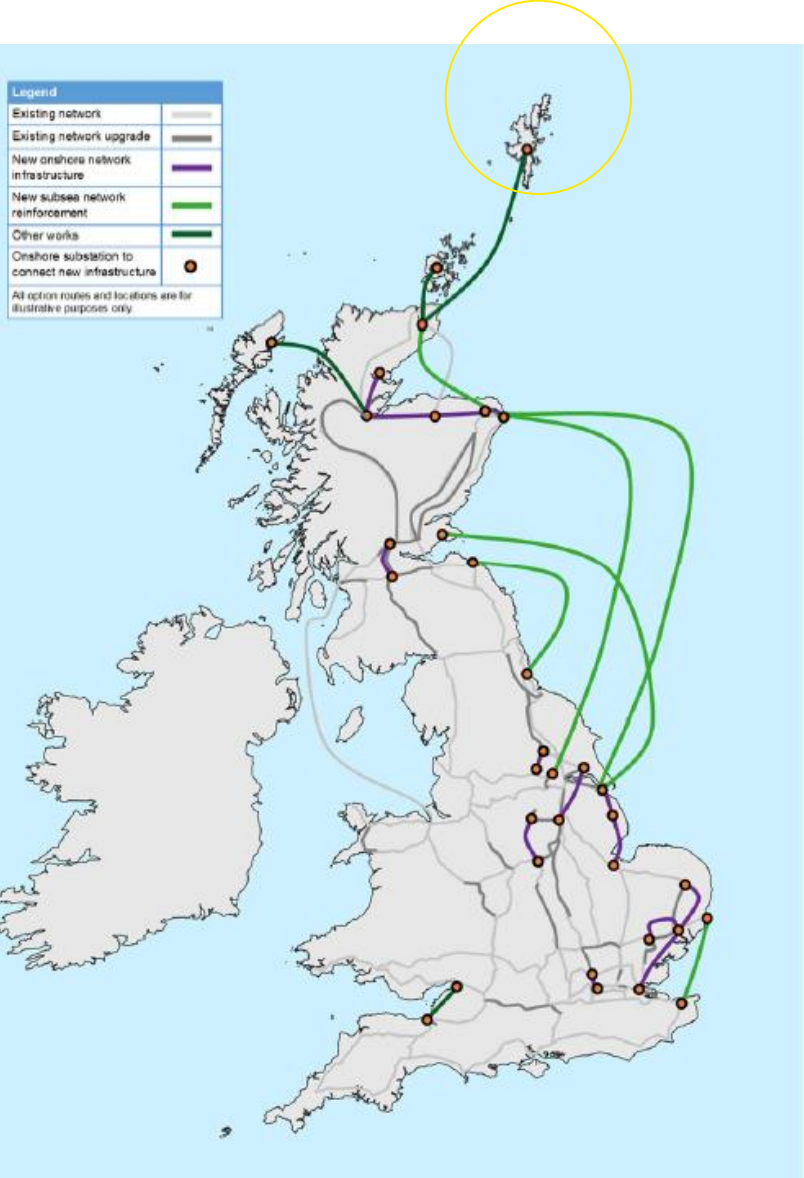
Nick George - ESO

Isolated MITS - Impact on TNUoS

Jo Zhou - ESO



Isolated MITS

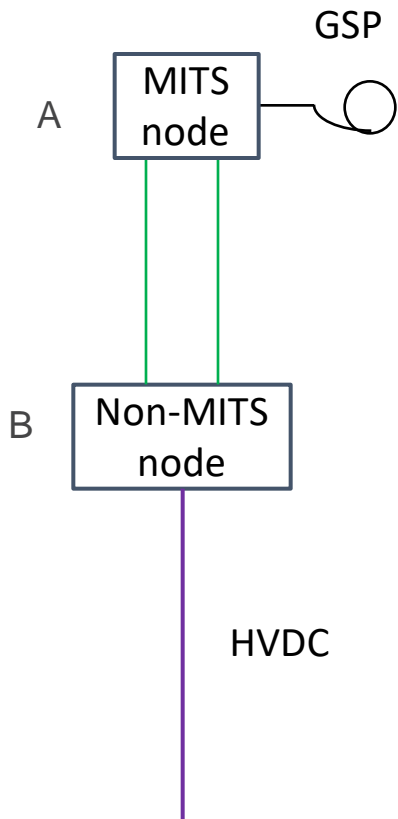


There are 132kV network on remote islands (for example, Shetland 132kV network). These 132kV assets will become part of the transmission network.

Some of the 132kV substations are MITS nodes (≥ 2 transmission circuits, plus a local GSP)

These are “isolated MITS”, as their only route to the wider network is via a non-MITS node and a local circuit (for example, Shetland link)

TNUoS tariff impacts, and the proposed solution



- Generators connecting at substation A pay –
 - Wider charge
 - Local substation charge
- Generators connecting at substation B pay –
 - Wider charge
 - Local substation charge
 - Local circuit charge (associated with the HVDC link)
- Proposed solution

In the above example, generator A's network charge should also reflect the cost of building and maintaining the HVDC link. It is therefore proposed to align the non-MITS status of all island nodes to the non-MITS status of substation B



Any questions?

TCMF Sub-group – Enduring Fixed BSUoS verbal update

Claire Huxley - ESO

10-year TNUoS Forecast

Nick Everitt - ESO



NEW: ESO 10-year TNUoS tariff forecast

What

- ESO are currently reviewing assumptions that could be used to produce a 10-year forecast
- The new forecast will append to the period covered by the 5-year forecast
- The extended forecast period will cover 2029/30 to 2033/2034

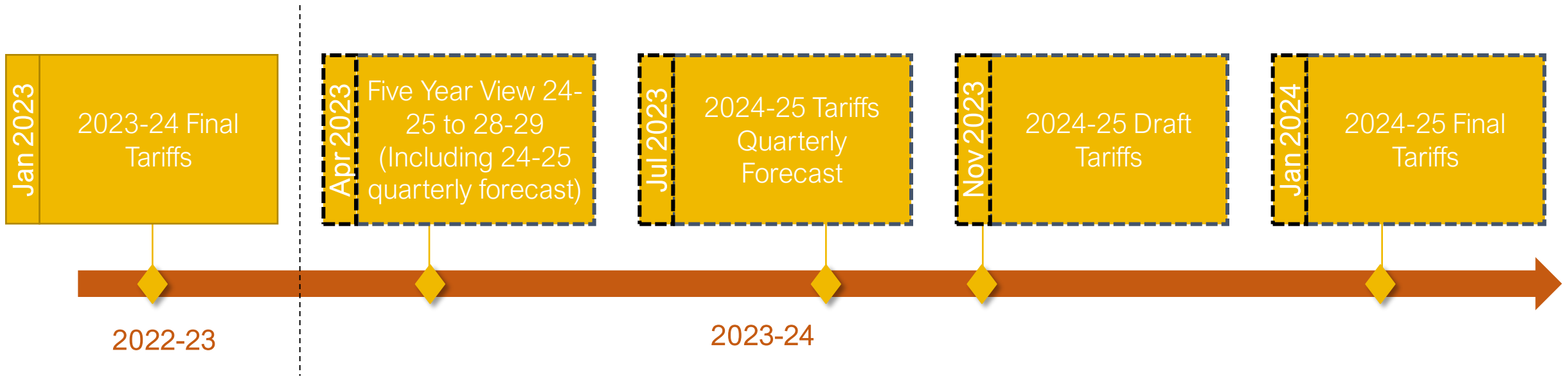
- ESO think that provision of the forecast, this summer, for the extended period will be useful to give insight on the tariff impact from significant future network development, e.g.
 - Holistic Network Design (HND - single, integrated design that supports the large-scale delivery of electricity generated from offshore wind);
 - Accelerating Strategic Transmission Investments (ASTI - facilitating the transfer of renewable generation to mainland Scotland)

- (Please note that the ESO proposed 10-year forecast differs to the recent new CUSC proposal covered by [CMP413: Rolling 10-year wider TNUoS generation tariffs](#) where the solution looks to fix published tariffs for a 10-year period)

NEW: ESO 10-year TNUoS tariff forecast

When

ESO are currently reviewing processes to provide the extended forecast during summer 2023



* These dates may vary if unforeseen circumstances require it, but we will still aim to provide at least three forecasts before the Final tariffs are published in January 2024

NEW: ESO 10-year TNUoS tariff forecast

Modelling Assumptions (for discussion)

- Inflation – tariffs are either in real money (say 2022/23), or using a generic inflation assumption (e.g. 2% CPIH)
- TNUoS parameters that need to be reset at each price control (e.g. annuity factor, EC/EFs, generation zones, local substation tariffs, AGIC, onshore discount, global security factor) – these could remain as the 5-year forecast modelling
- Revenue assumption – to extend the latest year 5 revenue data to years 6-10 by CPIH inflation
- Generation background – where possible, to align with the latest FES forecast
- Demand background – to align with the latest FES forecast
- Interconnector & Circuit assumptions – to align with the latest NOA

NEW: ESO 10-year TNUoS tariff forecast

ESO would like to hear your views

- Note that a 10-year model will not accompany the forecast (as the 5-year forecast) since some assumptions will be applied at a higher level of granularity
- Note that the planned small window to provide the forecast will not provide time for the usual support for follow up questions etc
- ESO would like to hear your views on how provision of the 10-year forecast will benefit industry participants, e.g. for your project planning and costing for developers
- ESO would like to hear your views on what's important to you
- ESO would like to hear your views on the timing of providing the forecast

AOB & Close