

Code Administrator Meeting Summary

Meeting name: CMP402 Workgroup 1

Date: 23/01/2023

Contact Details

Chair: Paul Mullen, National Grid ESO (Code Administrator) paul.j.mullen@nationalgrideso.com

Proposer: Dave Witherspoon, National Grid ESO dave.witherspoon@nationalgrideso.com

Key areas of discussion

In response to Ofgem's final decision on Anticipatory Investment (AI) dated 18 October 2022, changes to the current User Commitment provisions as detailed within CUSC Section 15 are required to introduce the AI principles for offshore generators connecting at different times to non-radial offshore transmission network.

The aim of this Workgroup was to ensure everyone understands their responsibilities and the change itself and agree next steps.

The Chair talked through the Modification process, the Workgroup's responsibilities, the timeline and the Terms of Reference. Both the timeline and Terms of Reference were agreed by the Workgroup.

To set the context, the Proposer provided an overview as to how CMP402 fits within the wider suite of Offshore Transmission Network Review (OTNR) changes and further charging changes are anticipated in the coming months.

The Proposer set out their solution, which was broadly welcomed by the Workgroup.

- The Chair asked the Proposer for ease of understanding to prepare a comparison table between the current User Commitment arrangements for Onshore Transmission vs those proposed by CMP402;
 - There was a specific discussion on what proportion of the AI cost liability should the later user be liable for pre and post Financial Investment Decision (FID) with some Workgroup Members arguing that the proposed 33% pre FID was too high and another Workgroup Member queried if a solution based on capacity of assets was
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more appropriate. The Chair asked Workgroup Members to consider possible options in this area ahead of the next Workgroup.

- Workgroup Members also asked if assets can be re-used and how a Local Asset Reuse Factor (LARF) could be applied e.g. where a project negotiates a seabed lease but doesn't go ahead and another project can use that seabed lease. It was agreed to discuss this further at the next Workgroup Meeting.

Next Steps

Next Workgroup (now 13 February 2023 rather than 15 February 2023) to finalise solution(s), Workgroup Report, agree that Terms of Reference have been met and hold Workgroup Vote. Timings depend on when ESO can provide further analysis to show how TNUoS charges for existing generators would be impacted by this change.

Actions

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG1	ESO	Comparison table between the current User Commitment arrangements for Onshore Transmission vs those proposed by CMP402	NA	13/02/2023	Open
2	WG1	Workgroup	Consider what proportion of the AI cost liability should the later user be liable for pre and post Financial Investment Decision (FID)	NA	13/02/2023	Open
3	WG1	Workgroup	Consider examples where a Local Asset Reuse Factor (LARF) could be applied	N/A	13/02/2023	Open
4	WG1	Chair	Provide list of CMP402 Workgroup Members and Observers	N/A	03/02/2023	Closed