

Code Administrator Meeting Summary

CMP413 – Rolling 10 year wider TNUoS generation tariffs

Date: 11/05/2023

Contact Details

Chair: Claire Goult, ESO Code Administrator claire.goult@nationalgrideso.com

Proposer: Binoy Dharsi – EDF Energy binoy.dharsi@edfenergy.com

Key areas of discussion

Introduction

The Chair began with introductions and explained the Code Modification process as a few members present were new to Workgroups. The CUSC panel agreed that CMP413 would follow standard governance and the timeline along with roles and responsibilities were explained and agreed.

Review and Agree Terms of Reference

The Chair shared the Terms of Reference. A Workgroup member stated they were uncertain as to what the ask was for section (c). The Proposer advised that a slide within the pack would go into this in more detail but if the member was still unclear, it could be revisited.

A Workgroup member suggested that the wording in section (f) needed altering to avoid confusion. The Proposer and another Workgroup member agreed to explore the phrasing.

Proposer presentation

The Proposer advised the Workgroup that CMP413 was raised to fix the output rather than the methodology and pointed out that the TNUoS Task force would like the modification to proceed in parallel with the work they are currently undertaking. The Proposer explained how the proposal had been put together on the back of numerous engagements with industry from September last year and advised the Workgroup group that the work done so far was to understand the appropriate balance of predictability and cost reflectivity. The Proposer agreed to share findings in the next Workgroup.

Workgroup members discussed the Proposer's solution. One Workgroup member asked if it was possible for the Proposer to pick out a few of the 27 generation zones and illustrate what could happen over time to understand how it works on a rolling basis and how the individual limits that are being set interact with each other in the years

beyond Year 10. The Proposer suggested the possibility that the ESO might provide a forecast in Year 11 onwards if they have the information to give an indication.

The Proposer mentioned a presentation that had been shared with TCMF giving some live examples that may help the group. The Proposer agreed to share a document in the next Workgroup to look at examples in detail along with the TCMF presentation.

The ESO Representative highlighted that the solution relies on the ESO tenure forecast. Several different assumptions have been presented at TCMF which have not received any feedback from industry. It was suggested that these assumptions be brought to this Workgroup as it is important to understand what the inputs are going into the forecast if we are to fix for a much longer period.

The Proposer indicated that the suggested implementation date of 1 April 2024 may change due to the interaction of CMP413 with several other in-flight modifications. The Proposer acknowledged that Ofgem would need to take these into consideration when making the final decision on the proposal.

The Authority Representative mentioned, regarding the implementation side, that there will possibly be a need for Ofgem to conduct an Impact Assessment once the Code Administrator Consultation and the Final Modification Report have been received. It was explained to the Workgroup that Ofgem are required to complete this consultation by law when it is considered that the modification will have a significant impact. The Authority Representative believes CMP413 meets that criterion and therefore Ofgem will be unable to make an immediate decision when the Workgroup concludes.

Cross Code Impacts

The Proposer stated that CMP413 is a defect in its own right and there are no cross-code impacts only a number of interactions. The Authority Representative clarified to the Workgroup what this mod is trying to achieve and shared their thoughts on how this and other similar mods could be implemented if approved going forward.

Next Steps

- Invite ESO SMEs to CMP413 Workgroup 2 to discuss 10 year forecast.
- Workgroup Members to comment on considerations sent in advance of the next meeting.
- Wording in section (f) of the Terms of Reference amended to provide clarity.

Actions

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG1	Proposer	To create a Tariff Methodology Spreadsheet	NA	WG2	Open
2	WG1	Proposer	To provide examples of what could happen over time and how the solution works on a rolling basis	NA	WG2	Open

Attendees

Name	Initial	Company	Role
Claire Goult	CG	Code Administrator, ESO	Chair
Deborah Spencer	DC	Code Administrator, ESO	Tech Sec
Binoy Dharsi	BD	Proposer EDF Energy Ltd	Proposer
Claire Huxley	CH	ESO	ESO Rep
Damian Jackman	DJ	Field Energy	Workgroup member
George Moran	GM	Centrica	Workgroup member
Grace March	GRM	Sembcorp	Workgroup member
Joseph Dunn	JD	Scottish Power	Workgroup member
Mark Harland	MH	EON Energy	Workgroup member
Matthew Paige-Stimson	MPS	National Grid	Workgroup member
Paul Jones	PJ	Uniper Energy	Workgroup member
Tom Steward	TS	RWE	Workgroup member
Chiamaka Nwajagu	CN	Orsted Wind Power	Observer
James Cunningham	JC	Cornwall Insights	Observer
Rachel McLeod	RM	ESP	Observer
Simon Vicary	SV	EDF Energy	Observer
William Maidment	WM	Ventient Energy	Observer
David Tooby	DT	Ofgem	Authority Rep
Harriet Harmon	HH	Ofgem	Authority Rep