

Code Administrator Meeting Summary

CMP413 - Workgroup 2 (Rolling 10-year wider TNUoS generation tariffs)

Date: 31/05/2023

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

Timeline and Terms of reference

The Chair shared the timeline and talked the group through the next stages of the process. Workgroup members agreed the timeline.

Terms of Reference

The Chair shared the Terms of Reference and highlighted possible amendments discussed in the previous meeting to provide clarification. The Workgroup did not fully agree on the changes suggested to the wording of sections c, e, and f. It was agreed that further consideration was required by the Workgroup.

ESO Subject Matter Expert (SME) Presentation on the 10-year TNUoS Tariff Forecast

The SME explained the objectives and constraints of the 10-year TNUoS tariff forecast importantly noting the uncertainties being faced in the next 10 years. The SME also discussed the proposed scope of the forecast and outlined two options to combat the HND methodology challenge:

- Option 1 – Treat DC circuits as if they were AC circuits
- Option 2 – ‘Even spread’ of flows at junction points

The SME described the objective was to keep the tariff calculation relatively simple and easy to understand whilst retaining the locational signals and shared a detailed diagram to explain Option 2. The Workgroup found this diagram helpful and asked if it would be possible to do the same with Option 1. The SME agreed and took an action to share this at the next meeting. Another member of the Workgroup also asked if the SME could run through the assumptions/charges as this would also be helpful to the group.

Proposer presentation

The Proposer shared the Cap and Collar mechanism for the Tariff Methodology with the Workgroup. Many questions were raised by several Workgroup members as they struggled to understand the methodology. The Proposer offered to look at another way of demonstrating the methodology and acknowledged how the presentation might cause confusion. The Workgroup agreed that the complexity of the subject matter meant it was difficult to summarise in a single slide. One Workgroup member suggested having a spreadsheet so members could add in details themselves to see how the methodology would work in practice. The Proposer agreed to take an action to update the presentation.

Next Steps

The next Workgroup meeting will be on 21 June 2023

Actions

For the full action log, [click here](#).

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG2	ESO SME	Share diagram for option one as agreed in workgroup	NA	WG3	Open
2	WG2	Proposer	Update the presentation with worked example	NA	WG3	Open
3	WG2	Proposer	Share updated wording of TOR with Workgroup before the next meeting	NA	WG3	Open

Attendees

Name	Initial	Company	Role
Claire Goult	CG	Code Administrator, ESO	Chair
Deborah Spencer	DS	Code Administrator, ESO	Tech Sec
Binoy Dharsi	BD	EDF Energy Limited	Proposer
Claire Huxley	CH	ESO	ESO Rep
Damien Clough	DC	SSE	WG Member
Damien Jackson	DJ	Field Energy	WG Member
George Moran	GM	Centrica	WG member
Grace March	GRM	Sembcorp	WG Member
Mark Harland	MH	EON	WG Member

Matthew Paige Stimson	MPS	National Grid	WG member
Paul Jones	PJ	Uniper Energy	WG Member
Tom Steward	TS	RWE	WG Member
Ryan Ward	RW	Scottish Power	Alternate
Harriet Harmon	HH	Ofgem	Authority Rep
Jo Zhou	JZ	ESO	SME
Nick Everett	NE	ESO	SME
Chiamaka Nwajaga	CN	Orsted Wind Power	Observer
Alan Kelly	AK	Coriogenesis	Observer
James Cunningham	JC	Cornwall Insights	Observer
Daniel Hickman	DH	ESO	Observer
Simon Vicary	SV	EDF Energy Limited	Observer
David Tooby	DT	Ofgem	Observer
Lizzie Timmins	LT	ESO	Observer
Callum Dell	CD	Invenergy	Observer
Callum Duff	CAD	Thistle Wind Partners	Observer