

Code Administrator Meeting Summary

Meeting name: CMP408 Workgroup 4

Date: 14/06/2023

Contact Details

Chair: Claire Goult, National Grid ESO, claire.goult@nationalgrideso.com

Proposer: Alice Taylor, National Grid ESO, alice.taylor@nationalgrideso.com

Key areas of discussion

The aim of Workgroup 4 was to review the Alternative Requests and hold the Alternative and Workgroup votes.

Objectives and Timeline

The Chair introduced the purpose of the Workgroup and reminded the Workgroup of expectations. The Chair ran through the timeline, to which no changes had been made.

Alternative Requests

Both Alternatives were presented to the Workgroup for questions. Alternative 1 proposed a 3 month notice period, followed by a 12-month fixed tariff. A question was raised regarding the impact of this Alternative on suppliers. The Proposer of Alternative 1 agreed to share information with Ofgem offline and asked for others in the Workgroup to do the same if they possess supporting data. Alternative 2 proposed a 3 month notice period, followed by 12 months fixed, including a separate summer and winter tariff. A Workgroup member asked for clarification of the wording within the Alternative 2 Request form, and this was modified to ensure it was clear that the ESO would be obliged to have separate summer and winter tariffs.

ESO Subject Matter Expert (SME) Seasonality Analysis Presentation

The ESO SME presented analysis to outline the effect on the ESO using a 12-month fixed single tariff, compared to using a split summer/winter tariff. In most cases, the split tariff would prevent excessive under-recovery of costs in the summer in comparison to winter. It was stated that the tariff was likely to be higher in the summer months than the winter months to facilitate this.

One Workgroup member queried if it would be possible for the winter rate to be higher than the summer rate and asked if this would exacerbate cashflow issues for the ESO. It was clarified that this is a risk, but likely a smaller risk than having a 12-month fixed single tariff.

Several Workgroup members discussed what should happen in the event of over-recovery of costs. It was suggested that this is not in the scope of modification CMP408, and that this is a topic that can be discussed within the sub-group. The Workgroup Agreed.

Alternative Request Review and Alternative Vote

The Chair outlined the voting process and clarified that all Workgroup members were eligible to take part in this vote, having attended at least 50% of meetings. An alternative vote was undertaken, and the Workgroup voted to proceed with both WACMs.

Workgroup Vote

Workgroup members assessed the Original proposal and both WACMs against the relevant CUSC objectives. The Workgroup concluded by majority (5 out of 9) that the current Baseline arrangements better facilitate the applicable CUSC objectives than the Original proposal or either of the WACMs.

Next Steps

- Chair to circulate draft Workgroup Report and voting record for Workgroup to review.

Actions

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
9	WG4	NC/PA	EON to catch up with Authority Rep regarding WACM1	NA	21/6/23	Open
10	WG4	ALL	Submit Voting statements	NA	19/6/23	Open

Attendees

Name	Initial	Company	Role
Claire Goult	CG	Code Administrator, ESO	Chair
Lizzie Timmins	LT	Code Administrator, ESO	Tech Sec
Alice Taylor	AT	National Grid ESO	Proposer
Damien Clough	DC	SSE Generation	Workgroup Member
Dimuthu Wijetunga	DW	Shell Energy UK	Workgroup Member
George Moran	GM	Centrica	Workgroup Member
Kate Livesey	KL	Drax	Alternate
Kurt Braganza	KB	Cornwall Insight	Observer
Monica Hudakova	MH	OVO	Workgroup Member
Niall Coyle	NC	EON Energy	Workgroup Member
Nick Everitt	NE	National Grid ESO	ESO SME
Pedro Arcain	PA	Ofgem	Authority Rep
Robert Longden	RL	Eneco Energy Trade BV	Workgroup Member
Simon Vicary	SV	EDF	Workgroup Member