

CMP375/CMP315

22 June 2023

Online Meeting via Teams

Agenda

Meeting expectations

Objectives and Timeline

Actions Review

Original Proposal Legal Text

WACM2 discussion

WACM2 Legal Text

Tariff Analysis

Workgroup Report

AOB

Meeting Expectations

- 1) New chair
- 2) Timings and breaks
- 3) Comments & etiquette
- 4) Scope



Objectives and Timeline

Chair

CMP375 (and CMP315) Proposed Timeline as at 25 April 2023

Milestone	Date	Milestone	Date
Modification presented to Panel	25 June 2021	CMP375/CMP315 Workgroup 18 (19) – finalise Legal Text, Workgroup Report, agree Terms of Reference have been met and Workgroup Vote	22 June 2023 (Showstopper Meeting: 5 July 2023)
Workgroup Nominations (15 Working days)	1 July 2021– 5pm on 22 July 2021	Workgroup report issued to Panel	20 July 2023
CMP375/CMP315 Workgroups 1 to 7	10 August 2021, 1 and 13 September 2021, 15 November 2021, 12 January 2022, 9 and 29 March 2022	Workgroup report presented to Panel	28 July 2023
CMP375/CMP315 Workgroup Consultation (20 working days as Easter)	14 April 2022 to 17 May 2022 (5pm)	Code Administrator Consultation (20 working days)	1 Aug 2023 to 29 August 2023 (5pm)
CMP375/CMP315 Workgroup 8 – review Workgroup Consultation responses and agree next steps	25 May 2022	Draft Final Modification Report (DFMR) issued to Panel	21 September 2023
CMP375/CMP315 Workgroup 9 – understanding of methodology for CMP315, CMP375 and LCP Approach	14 June 2022	Panel undertake DFMR recommendation vote	29 September 2023
CMP375/CMP315 Workgroup 10 and 11 – review ESO's analysis, finalise solutions and discuss alternatives	30 June 2022 and 18 July 2022	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	4 October 2023
CMP375/CMP315 Workgroups 12, 13, 14 and 15 - finalise analysis, finalise solutions, including confirming mathematical approaches for each solution, discuss alternatives and hold alternative vote,	17 August 2022, 11 October 2022, 8 November 2022 and 5 December 2022	Final Modification Report issued to Ofgem	12 October 2023
CMP375/CMP315 Workgroup 16, 17 – finalise legal text for CMP375 and CMP315 Original, review tariff analysis, review CMP375 WACM1 and further potential alternative (including	5 April 2023 and 2 May 2023	Implementation Date	1 April 2024

NOTE: 3 previous Workgroups for CMP315

CMP315 Terms of Reference

Workgroup Term of Reference

- a) Consider EBR implications
- b) Review of the principles of the current methodology
- c) Consider the effect on both TNUoS demand charges and generation charges
- d) Consider any interaction with demand TNUoS tariffs if floored at zero
- e) Consider in terms of aligning with Recital 63 of EU Renewable Energy Directive (2009/28/EC)
- f) Consider the distributional effect on Consumer tariffs
- g) Implementation timeframes to be considered ahead of the TO RIIO price controls in 2021
- h) Consider interactions with the Transmission license and any cross code impacts especially STC
- i) Be mindful of, and consider, the SCR
- j) Clarify need, as soon as possible, for any external analysis
- k) Consider interactions with CMP375

Actions

Action number	Owner	Action	Comment	Due by	Status
1	ESO	Issue V4 of Legal Text for CMP315 and CMP375 Original solutions to Workgroup	Shared via email 26 th May	9 May 2023	Closed
2	Workgroup	Tracked change comments on CMP315 and CMP375 Original solutions to Workgroup	<p>If not received, assume no changes needed.</p> <p>Nothing received at time of drafting slides</p>	26 May 2023	Closed
3	Chair	V1 of Workgroup Report to Workgroup	Shared via email 26 th May	9 May 2023	Closed
4	Proposers of each solution	Consider and share with Workgroup the defaulting rule on asset life extensions for their solutions and justify why	Included in agenda for today	26 May 2023	Open
5	Workgroup	Consider and share with Workgroup any alternative approaches to asset life extensions	Included in agenda for today	26 May 2023	Open

Actions

Action number	Owner	Action	Comment	Due by	Status
6	Transmission Owners	Clarify how many years historic data (up to 30 years back) they hold	Confirmed 10years of data is available	12 May 2023	Closed
7	Ocean Winds	Based on the answer to action 6, clarify the smoothing calculation?	Included in WACM2 agenda discussion		Closed
8	Ocean Winds	Update proposed alternative (now CMP375 WACM2) to spell out exactly how you re-weight the historic data vs the proportions set out in the Transmission Owners' business plan	Included in WACM2 agenda discussion	9 May 2023	Open
9	ESO	Confirm plan for data request to the Transmission Owners re: WACM2		15 May 2023	Open
10	ESO	Issue Legal Text for WACM2	Shared with this pack	TBC	Close



Review Legal Text for CMP315 Original and CMP375 Original

All



CMP375 WACM2 latest

Ocean Winds

**To cover – defaulting rule, smoothing calculation, update
CMP375 WACM2 to spell out exactly how you re-weight the
historic data vs the proportions set out in the Transmission
Owners' business plan**



CMP375 WACM2 legal text

ESO



ESO's tariff analysis

- CMP375 WACM2 tariff analysis
- Any other comments?

All



Comments on Workgroup Report

All



Any Other Business

Chair



Next Steps

Chair



Other Updates

Chair



Appendix 1 - Terms of Reference

All

CMP315 Terms of Reference

Workgroup Term of Reference

- a) Consider EBR implications
- b) Review of the principles of the current methodology
- c) Consider the effect on both TNUoS demand charges and generation charges
- d) Consider any interaction with demand TNUoS tariffs if floored at zero
- ~~e) Consider that if individual party TNUoS charges are based on specific assets, how might each TNUoS payer be notified (and regularly updated) of the detail of those assets they are being charged for in case, if later, those assets are used by other parties.~~
- f) Consider in terms of aligning with Recital 63 of EU Renewable Energy Directive (2009/28/EC)
- g) Consider the distribution~~al~~ effect on Consumer impacts **tariffs**
- h) Implementation timeframes to be considered ahead of the TO RIIO price controls in 2021
- i) Consider interactions with the Transmission license and any cross code impacts especially STC
- j) Be mindful of, and consider, the SCR
- k) Clarify need, as soon as possible, for any external analysis
- l) Consider interactions with CMP375

CMP375 Terms of Reference

Workgroup Term of Reference

- a) Consider EBR implications
- b) Consider all elements raised by the Proposer and agree guiding principles
- c) Review and specify data required from Transmission Owners
- d) Consider interactions with CMP315
- e) Consider cross code implications, particularly STC
- f) Consider what notice period would be appropriate
- g) Consider providing ~ 5 year TNUoS forecast (from implementation date) that incorporates the Original proposal and potential alternatives as scenarios/sensitivities
- h) Consider the impacts on consumers
- i) Take into account any wider Charging developments e.g. Rezoning