

CM085: To Clarify OFTO reactive power requirements at $<20\%$ output

6 July 2023

Online Meeting via Teams – addressing the Ofgem send-back

Agenda

#	Topics to be discussed	Lead
1.	Welcome and Introductions	Chair
2.	Send Back Process	Chair
3.	Timeline	Chair
4.	Review Terms of Reference	All
5.	Address Actions	All
6.	Any Other Business	Chair
7.	Next Steps	Chair

WELCOME





Send Back Process

Jonathan Whitaker – ESO Code Administrator

CM085 – Governance Rules for Send-Backs and Panel Asks

7.2.5.15 If the Authority determines that the STC Modification Report is such that the Authority cannot properly form an opinion on the STC Modification Proposal and any Alternative STC Modification(s), it may issue a direction to the STC Modification Panel:

- (a) specifying the additional steps (including drafting or amending existing drafting associated with the STC Modification Proposal and any Alternative STC Modification(s)), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and
- (b) requiring the STC Modification Report to be revised and to be re-submitted

and in the event of the Authority making such a direction STCP 25-2 shall apply.

April 2023 Panel agreed next steps following send-back on 31 March 2023:

They **NOTED** that Ofgem are asking for the Final Modification Report to be revised and resubmitted.

They **AGREED** that a Workgroup needs to discuss Ofgem's reasons for send-back prior to this being re-presented for recommendation vote.

May 2023 Panel **AGREED** the Terms of Reference.

CM085 – Addressing Actions

Next Steps/AOB

An ESO Representative suggested that we address any actions before sending the FMR back to panel as some details have been raised in the session that were not in the previous report i.e., the discussion of funding and OFTO's sharing detailed metrics on what this would mean to them.

Chair to set up a further session to discuss actions raised.

Actions

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

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG1	Chair	Set up another WG meeting	NA	ASAP	Open
2	WG1	OFTOs	OFTO share detailed metrics of how often wind output is lower than 20% and share with ESO for comparison	NA	WG2	Open
3	WG1	ESO	To check their understanding of funding of reactive power held by OFTOs	NA	WG2	Open

Attendees



Timeline

Jonathan Whitaker – ESO Code Administrator

Timeline for CM085 as at 06/06/2023

Milestone	Date	Milestone	Date
Workgroup 1 – agree timeline, review terms of reference, proposer presentation, discussion of Ofgem's reason for send back.	6 June 2023	Final Modification Report issued to Ofgem	7 August 2023
Workgroup 2 – finalise discussion of Ofgem's reason for send back	6 July 2023	Ofgem decision	TBC
Draft Final Modification Report (DFMR) issued to Panel	19 July 2023	Implementation Date	TBC
Panel undertake DFMR recommendation vote	26 July 2023		
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	28 July 2023 – 4 August 2023		



Terms of Reference

Jonathan Whitaker –ESO Code Administrator

CM085 - Terms of Reference for Send Back

Workgroup Term of Reference

- a) Address concerns raised by OFTOs regarding the regular utilisation of their reactive power equipment in sufficient detail to allow Ofgem to understand the impacts on OFTOs
- b) Discuss and document why existing processes cannot be used to access the reactive capability at windfarm outputs below 20%, as suggested in STC Section C Clause 3.3.2/STC Section C Clause 4.14 and STCP 11.4
- c) Confirm the process through which each OFTO system's capabilities would be calculated and confirm that each OFTOs reactive power compensation equipment would have been tested to this level as part of the commissioning process
- d) Advise what the cost benefits to consumers will be by implementing this modification:
 - The amount of reactive power capability that would be unlocked by the proposals that can be relied upon by NGESO in discharging their operational obligations and relevant TOs in discharging their obligations under the SQSS.
 - The cost that NGESO would expect to incur to procure the reactive power that could otherwise be unlocked through this modification.
 - The additional operation and maintenance costs that would be incurred by the OFTO in providing this service and any consequential impact on an OFTOs tender revenue stream.
- e) Revise the FMR (final Modification Report) with documented details showing that Terms of Reference have been met. Resubmit to the STC Panel for review before sending back to Ofgem for a decision.

Address Actions

Actions

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

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG1	Chair	Set up another WG meeting	NA	ASAP	Open
2	WG1	OFTOs	OFTO share detailed metrics of how often wind output is lower than 20% and share with ESO for comparison	NA	WG2	Open
3	WG1	ESO	To check their understanding of funding of reactive power held by OFTOs	NA	WG2	Open

Action 3 – ESO to check their understanding of funding of reactive power held by OFTOs

ESO Response

Following some internal investigation, it was confirmed that the funding for OFTO reactive equipment is funded through the local circuit charges. Whilst we can understand how a link has been made between the funding and this modification, the ESO doesn't believe this funding arrangement impacts the CM085 modification. CM085 is about the arrangements with the OFTO and not the generators connected to that OFTO, any issues with how the reactive equipment is funded should be raised via a CUSC modification. I would like to highlight that at the May TCMF Ocean Winds presented a proposed modification which may address these concerns.

Ocean Winds identified a defect that after the OFTO transaction, offshore wind farm's point of connection (POC) and the SVC is not used for compliance at this POC. Consequently, the generator pays via the TNUoS offshore local circuit tariff for an asset located within the onshore transmission system that is used for OFTO reactive compensation compliance rather than wind farm compliance. The SVCs provide valuable reactive compensation services to the grid and wider users, however, under current arrangements generators bear 100% of the costs whilst the value of this benefit does not flow back to the generator. The proposal is to amend the TNUoS calculation by allocating the cost of SVCs to the socialised onshore tariff. Ocean Winds are looking to raise this modification at June's CUSC panel.



Any Other Business

Jonathan Whitaker - ESO Code Administrator



Next Steps

Jonathan Whitaker - ESO Code Administrator