

CMP413 – Rolling 10-year wider TNUoS generation tariffs

Tuesday 11 July 10am

Online Meeting via Teams



Objectives and Timeline

Claire Gault – ESO Code Administrator



Objectives

- Terms of Reference Update
- Confirm the predominant flow direction on the HND HVDC circuit/
Option 1 Revised
- Model development to demonstrate the Original proposal methodology
- AOB & Next steps



Terms of Reference Update

Claire Goult – ESO Code Administrator

Terms of Reference – Panel approved

- c) The proposal is for wider generation tariffs to be within the pre-defined cap/collar range for each generation zone and charging year. Consider the requirement for a cap and collar and consider what the pre-defined range should be?
- e) Consider the interaction between the cap/floor as set by 838/2010 (“Limiting Regulation”) and the cap/collar as proposed by the modification.
- f) Consider the impact on demand TNUoS tariffs as a result of net the difference in revenue from the adjustment made to TNUoS Generation tariffs (if it breaches the pre-defined cap/collar range).



Confirm the predominant flow direction on the HND HVDC circuit/Revised Option 1

Jo Zhou – ESO Subject Matter Expert

Confirm the predominant flow direction on the HND HVDC circuit

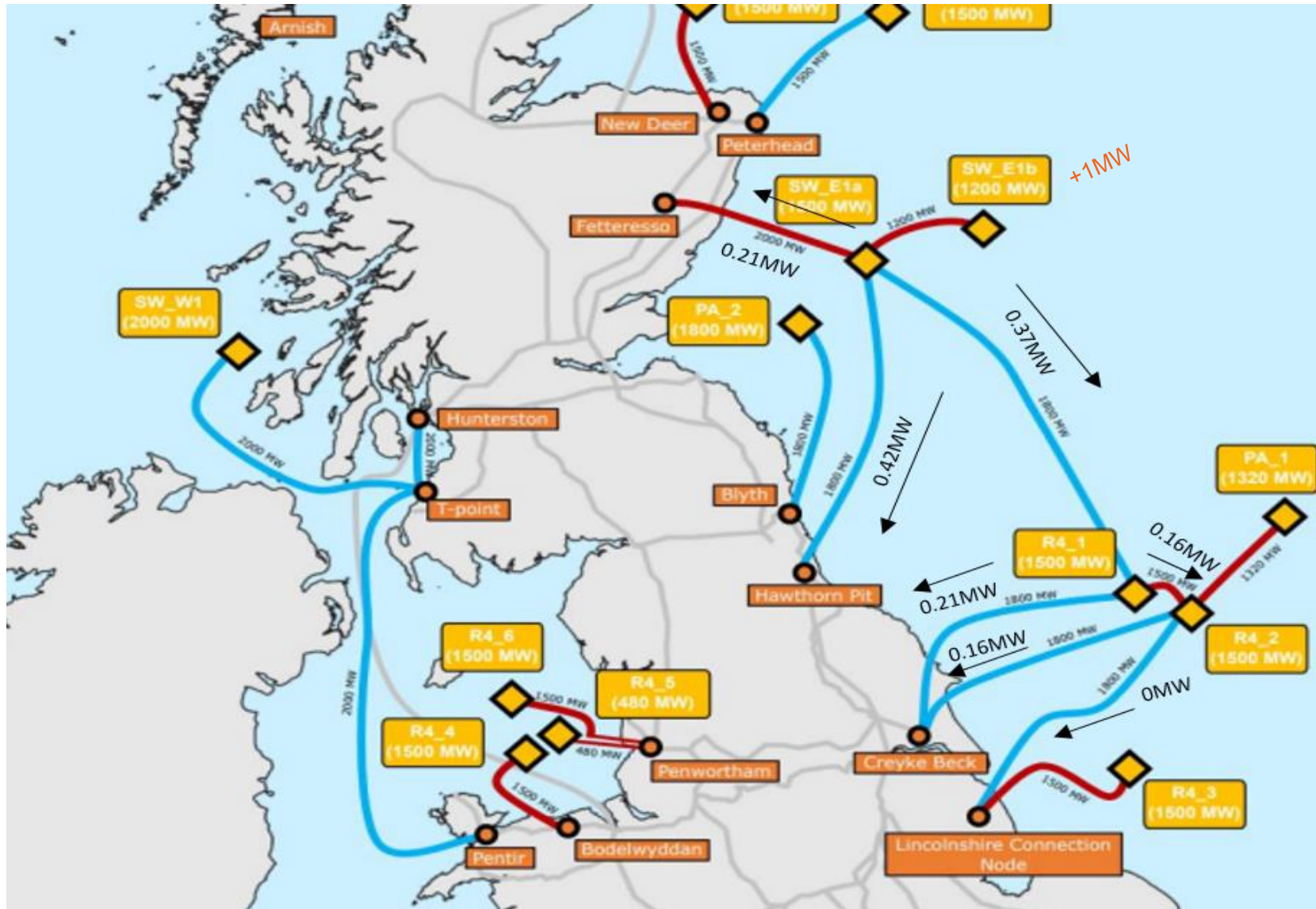
Circuit	Legislative Review	Technical Review		Legal Verification	Classification	Delivery Model
		Power Flow	Capacity Utilisation			
Fetteresso – SW_E1a	Infrastructure is used for transmission in offshore waters, of electricity generated onshore. Used for conveying electricity generated onshore through transmission system.	Mostly unidirectional (bidirectional possible) flow from Fetteresso to offshore substation	2,000MW HVAC cable connecting to offshore substation	Neither wholly nor mainly used to convey electricity generated offshore, therefore onshore. This is the first point of connection for onshore reinforcement in this cluster.	Onshore (reinforcement)	TO build
SW_E1a – R4_1	Infrastructure is used for transmission in offshore waters, of electricity generated onshore. Used for conveying electricity generated by onshore through transmission system.	Predominantly from SW_E1a substation to R4_1 substation	2,000MW onshore HVAC cable (most), 1,500MW OWF and substation using 1,800MW HVDC cable	Neither wholly nor mainly used to convey electricity generated offshore, therefore onshore. Continuing reinforcement from Fetteresso.	Onshore (reinforcement)	TO build
R4_1 – R4_2	Infrastructure is used for transmission in offshore waters of power generated onshore. Used to convey this power to transmission system (redundancy).	Bidirectional flow between R4_1 and R4_2 substations, but mostly from R4_1 to R4_2.	1,800MW HVDC (main user), 1,500MW OWF and substation using 1,500MW HVAC cable	Neither wholly nor mainly used to convey electricity generated offshore, therefore onshore. Continuing reinforcement from SW_E1a.	Onshore (reinforcement)	TO build
R4_2 - LCN	Infrastructure is used for transmission in offshore waters of	Unidirectional flow from R4_2	1320MW OWF, 1500MW OWF,	Mainly, but not wholly use to convey	Onshore (reinforcement)	TO build

Predominantly from north to south

Source: Ofgem’s decision on OTNR asset categorisation (Annex 1)

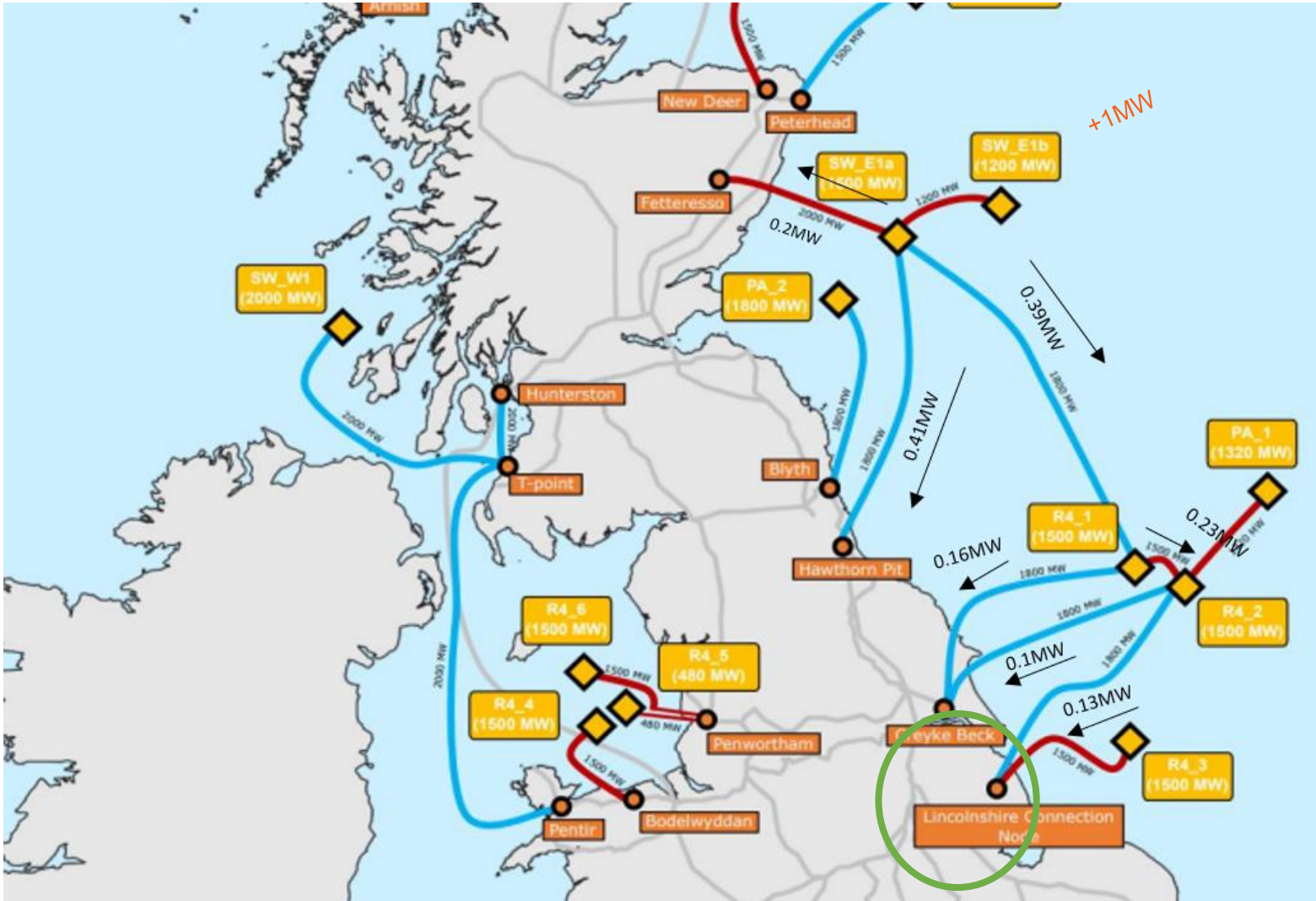
<https://www.ofgem.gov.uk/publications/offshore-transmission-network-review-decision-asset-classification#:~:text=This%20letter%20outlines%20our%20decision%20on%20the%20classification,-%20Radial%20offshore%20transmission%20-%20Non-radial%20offshore%20transmission>

Recap: Option 1 – treat DC circuits as if they were AC circuits



- Indicative flows by +1MW at SW_E1b
- Results are indicative
- Results change with generation, demand, network topology and parameters
- Note that it was thought Lincolnshire connection node is not yet energised in 2030, however -

Revised result: Option 1 – treat DC circuits as if they were AC circuits



- The most recent HND report and Ofgem's ASTI decision, confirmed that Lincolnshire -Humber double circuits has been brought forward from 2031 to 2030, as part of the ASTI works
- Thus a “path” will be created by 2030, enabling energy from R4_2 and R4_3 to flow to the onshore network



Model development to demonstrate the Original proposal methodology

Binoy Dharsi – EDF Energy



Any Other Business

Claire Goult – ESO Code Administrator

Current Timeline for CMP413

Milestone	Date	Milestone	Date
Modification presented to Panel	31 March 2023	Panel sign off that Workgroup Report has met its Terms of Reference	24 November 2023
Workgroup Nominations (15 Working Days)	3 April 2023 to 26 April 2023	Code Administrator Consultation (15 working days)	27 November 2023 to 18 December 2023 (5pm)
Workgroup 1- Setting the scene – understand Modification process, roles and responsibilities, agree Terms of Reference and timeline, understand the proposed change and agree next steps	11 May 2023	Draft Final Modification Report (DFMR) issued to Panel (5 working days)	18 January 2024
Workgroups 2 to 5 - review current / additional analysis, discuss cap/collar ranges, discuss number of years the TNUoS tariffs are fixed for, identify alternative solutions, draft legal text, draft Workgroup Consultation and questions	31 May 2023, 21 June 2023, 11 July 2023 and 1 August 2023	Panel undertake DFMR recommendation vote	26 January 2024
Workgroup 6 – finalise Workgroup Consultation	23 August 2023	Final Modification Report issued to Panel to check votes recorded correctly	29 January 2024
Workgroup Consultation (15 working days)	30 August 2023 to 20 September 2023 (5pm)	Final Modification Report issued to Ofgem	6 February 2024
Workgroups 7 to 9 - <i>Review Workgroup Consultation Responses and proposed alternatives, Alternative Vote, Finalise solutions and legal text, Agree that Terms of Reference have been met and Workgroup Vote</i>	2 October 2023, 23 October 2023 and 13 November 2023	Ofgem decision	TBC
Workgroup report issued to Panel (5 working days)	16 November 2023	Implementation Date	TBC



Next Steps

Claire Goult – ESO Code Administrator

Actions Review

4	WG3	Chair	ToR changes to CUSC Panel	NA	WG4	Closed
5	WG3	ESO SME	Confirm the predominant flow direction on the HND HDVC circuit	NA	WG4	Closed
6	WG3	Proposer	Methodology development to demonstrate the Original proposal method	NA	WG4/5	Closed
7	WG3	All	Feedback on Tariff Methodology	NA	WG5	Open
8	WG3	Workgroup Members	Confer with proposer to on Tariff Methodology	NA	WG5	Open
9	WG4	Proposer/GM/PJ	Confer and present variations in methodologies using the same data/spreadsheets circulated to WG pre WG5	NA	WG5	Open
10	WG4	EDF/ESO	Customer impact analysis	NA	WG5	Open
11	WG4	Proposer	Consider how charging changes impact range (George question)	NA	WG5	Open