

Code Administrator Meeting Summary

Meeting name: CMP402 - Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements – Workgroup 6

Date: 23/06/2023

Contact Details

Chair: Deborah Spencer, ESO (Deborah.Spencer@nationalgrideso.com)

Proposer: David Witherspoon, ESO (david.witherspoon@nationalgrideso.com)

Key areas of discussion

Objectives and Timeline

The Chair covered the objectives of the session and shared the latest timeline.

The Chair confirmed the receipt of 5 non-confidential Workgroup Consultation responses before the final deadline.

Due to work on the solution Workgroup 7 will move to 12 July (and look to cover elements of Workgroup 8's agenda)

Workgroup Consultation Overview & Review of Workgroup Consultation Responses

When reviewing the summary of the Workgroup Consultation responses a Workgroup member questioned whether securities were as much of a barrier as perceived, considering the scale of investment parties would be making (of which networks are just part). The Proposer and a second Workgroup member agreed (with a note that it would be more of a consideration for smaller investors).

While the Workgroup (and the responses) were generally in agreement with the proposed post-FID (Financial Investment Decision) solution, it was agreed by the Proposer that more work was needed to define the solution for the level and approach for Pre-FID liabilities.

Workgroup members raised the question of whether a scaling or capping approach to pre-FID would allow a degree of consistency for the solution, noting that approaches would be untested (therefore may pose difficulties when trying to compare possible WACMs later on).

The Proposer was open to suggestions for determining the Pre-FID values, with a possible 'capping' approach tabled (e.g. a fixed price approach of c.£1-2.kWh). The Workgroup raised no objections to the Proposer developing the solution for the group to review at the next stage.

A Workgroup member asked whether any relative comparisons for onshore/offshore liability (e.g. expressed as an average) would help to show onshore as not unduly low compared to offshore. The Proposer outlined the struggles in making such comparisons and difficulty

producing absolute values to be part of the solution. The Workgroup discussed whether absolute values needed to appear in the CUSC, and agreed that rather than specifics, minimum/maximum values could feature as a guide, or alternatively an indication of the proportion of liability/capped value involved in the Early Stage Assessment.

Discuss points raised and possible alternatives

One Workgroup member noted that they were considering raising a WACM but would wait to see the Proposer’s updated solution to confirm if that would be needed.

AOB

There was no other business raised by the Workgroup

Next Steps

Proposer to amend the solution based on the Workgroup Consultation responses and Workgroup 6 discussions (especially the Pre-FID solution). This update is to be shared with the Workgroup ahead of Workgroup 7 (**Action 2**).

The Chair/Tech Sec will update diary invites and the timeline for Workgroup 7 to be on 12 July (**Action 3**).

Workgroup 7 to cover whether **Action 1** below is now closed.

Actions

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG6	Proposer & Ofgem Rep	To discuss offline the scenarios for the non-AI benefits	NA	WG6	Open
2	WG6	DW	The Proposer shall update the solution and share for the Workgroup to consider ahead of WG7	NA	WG 7 Papers Day – 5 July	Open
3	WG6	DS/EB	Workgroup 7 to be changed to 12 July. Invites and timings updated and agenda reviewed for WG7 & 8	NA	30 June	Open

Attendees

Name	Initial	Company	Role
Deborah Spencer	DS	Code Administrator, ESO	Chair
Elana Byrne	EB	Code Administrator, ESO	Tech Sec
David Witherspoon	DW	ESO	Proposer

Shannon Murphy	SM	Ofgem	Authority Rep
Umer Ameen	UA	BP	Workgroup Member
Damian Clough	DC	SSE	Workgroup Member
Matthew Paige-Stimson	MPS	National Grid Electricity Transmission	Workgroup Member
Faiva Wadawasina	FW	Bellrock and Broadshore Offshore Windfarms	Workgroup Member
Joel Matthews	JM	Diamond Transmission UK Limited	Observer