

# Code Administrator Meeting Summary

## Meeting name: CMP408 Workgroup 5

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Date: 11/07/2023

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### Contact Details

Chair: Claire Goult, National Grid ESO, [claire.goult@nationalgrideso.com](mailto:claire.goult@nationalgrideso.com)

Proposer: Alice Taylor, National Grid ESO, [alice.taylor@nationalgrideso.com](mailto:alice.taylor@nationalgrideso.com)

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## Key areas of discussion

This meeting was arranged to update Workgroup Members on the ineligibility of the two Workgroup Alternative requests raised in the previous meeting.

### Timeline Update

The Chair shared the Timeline with the Workgroup asking if Members agreed these were achievable. A Workgroup member highlighted the Ofgem decision date (end of October) and advised this was very close to the FMR being issued. It was therefore agreed to update the decision date to the end of November.

Another Workgroup Member was concerned that the implementation date for CMP408 might be under threat if the Ofgem decision is not received until the end of November, noting it would be putting a lot of pressure on the ESO. The Proposer responded advising that Ofgem were aware of the required implementation (1 April 2024).

## Terms of Reference Review

The Chair confirmed that they had previously discussed the terms of reference and agreed that these had been met.

### Terms of Reference Section C

#### **c) Consider what fixed period is appropriate taking into account 2<sup>nd</sup> BSUoS Taskforce conclusions**

The Chair highlighted section c) of the terms of reference to reassure the Workgroup that discussions surrounding the fixed period were in scope and very much relevant to this modification. The Chair advised the key point here is the word “consider” was used and not “determine”.

The two Alternative Requests raised by Workgroup Members previously require changes to section 11 (non-charging) of the CUSC but this was not highlighted until the draft legal text was issued. As Governance rules dictate changes cannot be made to a non-charging section of the CUSC as part of a charging modification, the Chair explained both proposed Alternative’s will need to be withdrawn.

The Chair confirmed the Alternative Requests would now be raised as consequential modifications to reflect the Workgroup support for these options.

A Workgroup Member felt it was odd that the fixed period (section 11) and the notice period (section 14) were defined in different sections of the CUSC. The Workgroup Member was concerned that this would mean assessing the Original and consequential modifications against different objectives despite both being wholly charging related and felt this did not seem right. Several Workgroup Members agreed with these comments. Another Workgroup Member advised the group that this was a real governance issue that CUSC panel had attempted to resolve this previously. Ofgem were invited by the Chair to explain their previous decision against amending the governance rules to allow this to happen. The Ofgem Representative offered to prepare a statement to be shared with the Workgroup following the meeting.

## Consequential Modifications

The Proposer confirmed two consequential modifications will be raised.

**CMP415 – Seeks to amend the fixed period from 6 to 12 months.**

**CMP416 - Seeks to amend the fixed period from 6 to 12 months with two seasonal tariffs.**

It was explained to the Workgroup that these consequential modifications will be raised alongside the Original as they are intrinsically linked to CMP408. Ofgem will then have the option of approving the Original along with potentially one of the consequential modifications to amend the fixed period. The Proposer informed the Workgroup that reasons given for raising the consequential modifications were due to the results of the second BSUoS Taskforce and the reduction of risk prima based on analysis brought forward by a Workgroup Member. The Proposer specified a second reason for raising CMP416 was due to the issue of seasonality brought up by the ESO and highlighted as a concern by the Workgroup.

The Proposer advised they would all be raised as a package and is requesting both modifications go straight to Code Administrator Consultation as all the discussion regarding the modification solutions have already taken place in CMP408.

A Workgroup member questioned if these modifications are being assessed by the current CUSC baseline or CMP408. The Proposer responded that the current baseline is nine months' notice and six months fixed and clarified that the two consequential modifications seek to make changes to three months' notice and 12 months fixed.

A Workgroup Member expressed concern that the consequential changes were going to be assessed against different objectives despite both being charging related. It was noted that Ofgem had been consulted along with the ESO legal team due to the complexities of the situation. Another member asked if there was a possibility of Ofgem approving CMP408 for example and rejecting the other two. The Proposer confirmed that Ofgem had the option of approving CMP408 and one of the consequential modifications depending on what they view the best option would be.

## Workgroup Report discussion

The Chair highlighted the amendments made to the Workgroup Report. One Workgroup Member requested that the report should include why the WACMs were removed and turned

into consequential modifications. The Chair agreed and confirmed these details would be included in the report.

### Workgroup Vote

The Chair confirmed the WACMs had been removed from the Workgroup vote and advised the Workgroup that they would not be required to vote again for the Original as they had assessed this against the correct objectives. Workgroup members were then invited to confirm their vote for the Original proposal against the Baseline and to update their voting statement.

### Next Steps

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

### Actions

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
11	WG6	Ofgem	Confirm reasons as to why governance rules were not previously amended to allow changes to section 11 and 14 related to charging	NA	14/7/23	Closed
12	WG6	ALL	Submit voting statements	NA	12/7/23	Closed
13	WG6	ALL	Review Workgroup Report	NA	19/7/23	Open

### Attendees

Name	Initial	Company	Role
Alice Taylor	AT	National Grid ESO	Proposer
Claire Goult	CG	Code Administrator, ESO	Chair
Deborah Spencer	DS	Code Administrator, ESO	Tech Sec
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	Workgroup Member
Monica Hudakova	MH	OVO	Workgroup Member
Niall Coyle	NC	EON Energy	Workgroup Member
Pedro Arcain	PA	Ofgem	Authority Rep
Robert Longden	RL	Eneco Energy Trade BV	Workgroup Member
Simon Vicary	SV	EDF	Workgroup Member