

CMP413 – Rolling 10-year wider TNUoS generation tariffs

Tuesday 1 August 10am

Online Meeting via Teams



Objectives

- Review current / additional analysis (Tariff Methodology Examples)
- Actions Review
- Terms of Reference Review
- Draft Workgroup Questions for Consideration
- AOB/ Next steps
 - Identify alternative solutions
 - Draft legal text



Tariff Methodology Examples

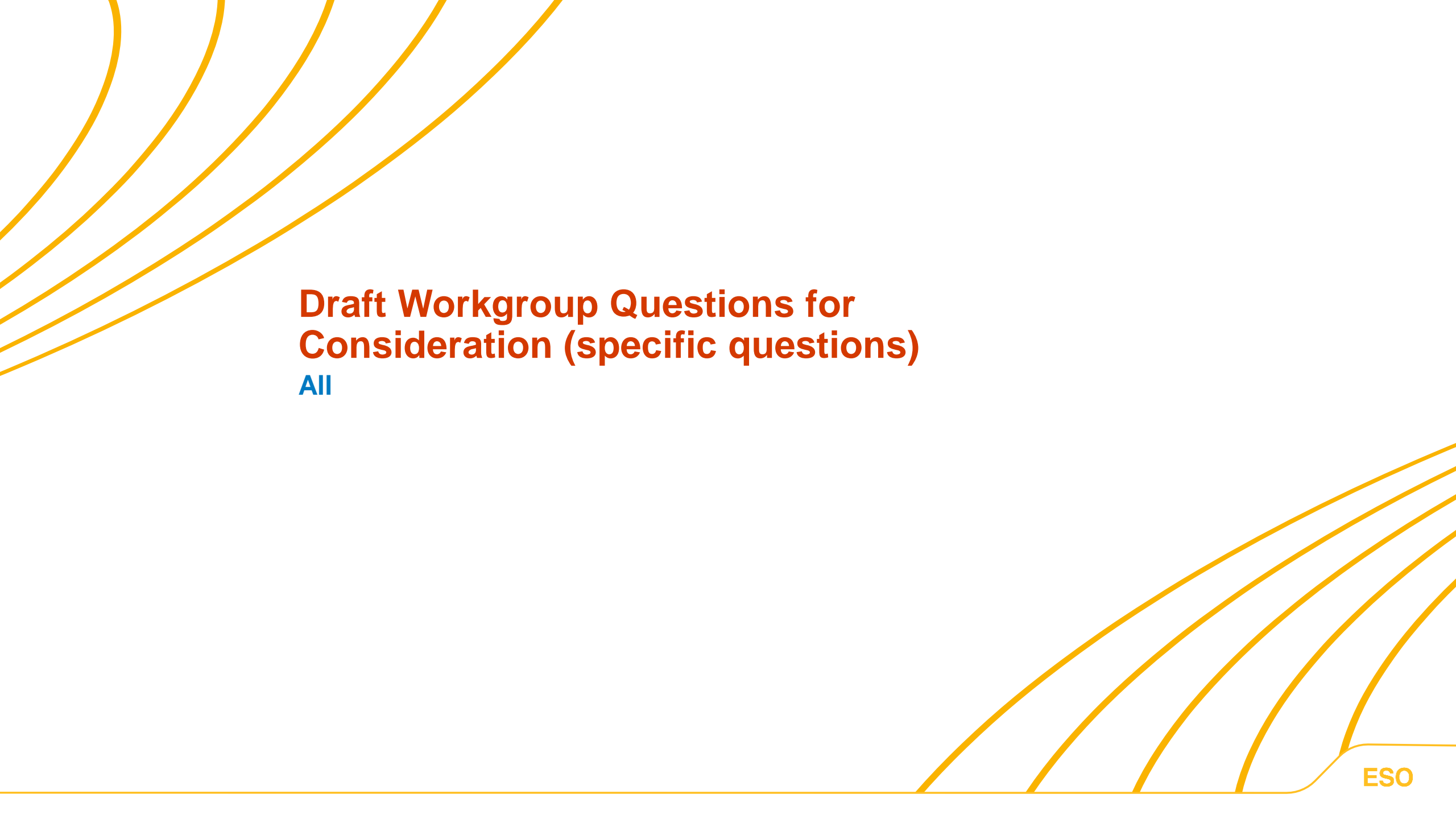
All

Action Review

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	ESO/EDF to work on the financial impact of socialising the cap/collar breach to demand users	NA	WG5	Open
11	WG4	Proposer	Consider the financial impact on socialising the cap/collar breach to Generation users	NA	WG5	Open

Terms of Reference Review

CMP413 Terms of Reference	Considerations
a) Consider EBR implications	
b) Consider the length of time the TNUoS Generation tariffs are fixed for	
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?	
d) Consider whether criteria need to be set to allow for the cap and collar to be waived in certain circumstances (e.g. for material changes to the TNUoS methodology)	
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).	
g) Consider the impact on the Transmission Demand Residual and consumers.	
h) Consider interactions with wider potential TNUoS developments e.g., TNUoS Taskforce and Review of Electricity Market Arrangements (REMA).	
i) Consider the trade-off between cost-reflectivity and certainty/predictability.	



Draft Workgroup Questions for Consideration (specific questions)

All



AOB/Next Steps

Deborah Spencer - 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