

Code Administrator Meeting Summary

Meeting name: CMP413 - Workgroup 5 (Rolling 10-year wider TNUoS generation tariffs)

Date: 01/08/2023

Contact Details

Acting Chair: Deborah Spencer, ESO Code Administrator deborah.spencer@nationalgrideso.com

Proposer: Binoy Dharsi – EDF Energy binoy.dharsi@edfenergy.com

Objectives

The Chair talked through each of the objectives for the Workgroup meeting.

Feedback on Methodology Variation Examples

The Chair shared Methodology Examples provided by Workgroup members for the Group to discuss. The proposer confirmed the objective for sharing the examples was to go through the alternative ways of trying to reach a banded approach. It is slightly changing the methodology as opposed to the end result.

The graph shared covered the path of a 2033 price forecast and how it builds up in a slightly different way.

A Workgroup member requested clarification on the different coloured lines on the graph and what they were representing. The Member confirmed the line (yellow dotted) was to show the raw input forecast of the model running with no constraints.

A second example was shared giving a slightly different view from the previous one and the member discussed in further detail what the lines on the graph represented. They explained that the additional red and blue line was to show a forecast when a tolerance is set for each year.

A Workgroup member required clarification on the second graph shown. It was confirmed that the graphs produced were an interpretation of the proposer's mod and examples to show methodology on how the first bit of capping would work.

A question was raised regarding why the capping on the graphs were shown in pounds to kilowatt and not percentage. The member responded advising that percentages were looked at but on balance the absolute figure would be more proportional and easier to interpret.

A Workgroup member was concerned that the examples shared were doing very different things to that shown on the Proposal Form. This started a discussion with the members around how the Methodology Examples had been produced and how they were an interpretation of the details in the Proposal.

A Workgroup member confirmed that the Methodology Examples were in keeping with the Proposal form and said they sympathised that different interpretations would be made. The proposer advised the Workgroup they understood how the proposal could be interpreted in different ways after today's

discussion. They suggested adding additional wording to the Proposal under the graph section to alleviate any confusion or misinterpretation. Workgroup member agreed this would be helpful.

Terms of Reference Review

The Proposer explained that they had wanted to lightly touch upon the Terms of Reference but recognise that the Workgroup were not at the stage to go into much detail at this time.

The Workgroup did discuss lettered point (e) and (d) and wanted to ensure that the Workgroup are considering these points whilst developing the modification. The proposer suggested they would make a list of TOR to be discussed at the next session and share these with the Chair.

Draft Workgroup Specific Questions

The Workgroup mutually agreed they would come back to discussions around Specific Questions once further talks on Terms of Reference have been had.

Any Other Business

The Chair shared the slide and identified that the Workgroup was not at the stage to discuss the points of ‘identifying alternative solutions’ and ‘draft legal text’ and agreed this would be discussed further in the next Workgroup meeting.

The Timeline was shared with the Workgroup and the Chair asked Workgroup members whether they thought another Workgroup was needed to prepare for workgroup consultation. Workgroup members felt that another Workgroup meeting would be needed after Workgroup 6 which the Chair and the Proposer would agree offline.

The Proposer announced that in September they would be leaving their current post and informed the Workgroup that a colleague would be taking over development of the modification.

Next Steps

Proposer to:

- update the Proposal form with wording that is clearer after discussion during Workgroup 5; and
- share details of Terms of Reference to be discussed at the next WG with Chair

Actions

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

| Action number | Workgroup Raised | Owner | Action | Comment | Due by | Status |
|---------------|------------------|----------------|--|---------|--------|--------|
| 9 | WG4 | Proposer/GM/PJ | Confer and present variations in methodologies using the same data/spreadsheets circulated to WG pre WG5 | NA | WG5 | Closed |
| 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 |

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|----|-----|----------|---|-----|-----|------|
| 12 | WG5 | Proposer | Add additional wording to the Proposal form under graph to save any interpretations and make clear the proposal | N/A | WG6 | Open |
| 13 | WG5 | Proposer | Share details of Terms of Reference with Chair for discussions to take place at next workgroup | N/A | WG6 | Open |

Attendees

| Name | Initial | Company | Role |
|-----------------------|---------|-------------------------|--------------------------|
| Binoy Dharsi | BD | EDF | Proposer |
| Callum Duff | CD | Thistle Wind Partners | Observer |
| Damian Jackman | DJ | Field Energy | Workgroup Member |
| Dani Hickman | DH | ESO | Observer |
| David Tooby | DT | Ofgem | Authority Representative |
| Deborah Spencer | CG | Code Administrator, ESO | Acting Chair |
| George Moran | GM | Centrica | Workgroup Member |
| James Cunningham | JC | Cornwall Insight | Observer |
| Jo Zhou | JZ | ESO | Subject Matter Expert |
| Martin Cahill | MC | ESO | Workgroup Member |
| Matthew Paige Stimson | MPS | National Grid | Workgroup Member |
| Nick Everitt | NE | ESO | Subject Matter Expert |
| Paul Jones | PJ | Uniper Energy | Workgroup Member |
| Ryan Ward | RW | Scottish Power | Alternate |
| Simon Vicary | SV | EDF | Alternate |
| Tammy Meek | TM | ESO | Tech Sec |
| Tom Steward | TS | RWE | Workgroup Member |