



TNUoS Task Force

Meeting 5.5

17th May 2023





Agenda

13:00 – 14:10

- > 13:00 Introduction & Welcome
- > 13:05 Action Review
- > 13:10 Defects Prioritisation
- > *14:10 Break*

14:20 – 15:20

- > 14.20 Defects Prioritisation continued
- > *15:20 Break*

15:30 – 16:00

- > 15:30 Future Deep Dives
- > 15:45 Revised Forward Looking Plan & Future Dates
- > 15:55 Next Steps & Close

Action Review

Jon Wisdom



Actions from Meeting 5

ID/ date	Agenda Item	Description	Owner	Notes	Target Date	Status
1 26/04	1	Provide update on recruiting Non-Domestic user reps to Task Force	James Stone & Nicola White		TF Meeting 6	
2 26/04	3	Next meeting to create action plan for addressing priorities	James Stone	Identify work still to be done, short term mods, long term discussions	Virtual session prior to TF Meeting 6	
3 26/04	3	Decision re: involving OTNR in Task Force discussions	Harriet Harmon		TF Meeting 6	
4 26/04	3 & 7	Points for further consideration by Frontier-LCP and the Task Force	James Stone & Nicola White	To share with Frontier-LCP	To share with Frontier-LCP	
5 26/04	4	Latest defect list & prioritisation shared with TF and added to CF website	James Stone & Deborah Spencer /Elana Byrne	To form part of Action 2	Virtual session prior TF Meeting 6 (website publication to follow)	
6 26/04	5	Any further questions or gaps in the analysis needing consideration to be shared with ChargingFutures@nationalgrideso.com for Frontier-LCP to prepare for the next deep dive mtg	Task Force		TF Meeting 6	



Actions from Meeting 5

ID/ date	Agenda Item	Description	Owner	Notes	Target Date	Status
7 26/04	5	Review additional information re: sharing factors (not covered for time)	Task Force		TF Meeting 6	
8 26/04	7	Further work on design vs cost reflectivity to be presented at Mtg 6	James Stone & Nicola White	To be discussed with BA and passed to Frontier-LCP	TF Meeting 6	
9 26/04	7	Technical input needed on deviation from SQSS and legal implications	James Stone & Nicola White		TF Meeting 6	
10 26/04	7	Investigate more granular data sources for DNO embedded distribution to support the methodology & analytics	James Stone		TF Meeting 6	
11 26/04	8	Actions allocated across the TF group for topics progressing for further development or into draft modifications	James Stone		Post TF Meeting 6	
12 26/04	8	Virtual meeting to be set for w.c. 15th May to prioritise actions	James Stone & Nicola White		W.C. 15 May	
13	9	Documents and lists shared with the Task Force	Deborah Spencer & Elana Byrne		28 th April	

Defect Prioritisation

James Stone

The objective of this session is to:

- Clarify the approach taken to creating an updated defects 'shortlist'
- Agree items considered to be out of scope (not to be progressed)
- Agree categorisation of remaining defects & prioritisation of areas of focus
- Identify any 'Quick Wins' - where modifications could be raised in the near term

Review of Defects

A further assessment of the initial defects has now taken place to create an updated 'shortlist' of future areas for review. This process included:

1. Line by line review of the original master defect list
2. Creation of a simple brief description of the issue/question being posed
3. Identification/removal of defects where there was considered to be clear duplication
4. Identification/removal of defects considered outside the Task Force scope of work
5. Further re-categorisation of each defect into distinct areas of work

➤ The updated shortlist now needs to be reviewed, agreed and then prioritised by the Task Force

Areas 'out of scope'

The Task Force was launched with the aim of looking at improvements to today's charging arrangements (i.e. the methodology underpinning the calculation of TNUoS).

Based on the agreed remit of the Task Force, the defects below may be considered as out of scope:

> **Question 1: Do you agree that the below defects are out of scope of the agreed remit of the Task Force?**

Item Number	Issue/Defect/Area for Review	Categorisation
12	TNUoS access rights - firm/non-firm and discount to be applied for interruptible access	Out of scope - Access
13	Quality of forecasting - impact on predictability of charges (quarterly updates from ESO lots of detail but missing assumptions behind TO forecast (c.4bn) e.g. doesn't use latest inflation view	Out of scope - ESO's forecasts
14	Quality of forecasts, transparency. Locational charging and reconciliations. Demand charging to be closer to generation charges or to differ?	Out of scope - ESO's forecasts
15	Wider locational tariff being zero. Can we deliver a signal that flows through to charges?	Out of scope - Absolute value of the charge
16	Accuracy of ESO forecast; S14 change?; how publish forecasts to be more in line with industry expectations? E.g. distinct areas to review To note what can be influenced and what we can influence elsewhere	Out of scope - ESO's forecasts
17	Forecasting - what's changed for this particular snapshot but not evolution of changes over time	Out of scope - ESO's forecasts

> **Question 2: If answering no to Q1, which defect(s) do you believe are within scope? Please provide reasoning for your answer.**



Defects by Category

Within the updated 'shortlist' there are lots of individual defects – for simplicity these have been allocated to 8 overall packages of work. Below is a list of the proposed categories:

- **Absolute vs. Relative**
- **Backgrounds**
- **Data Inputs** - i.e. Average Cold Spell (ACS), Scaling, Security factors
- **Distributed Generation** - the treatment of embedded generation and 132kV in the model
- **Reference Node** - is the current approach still fit for purpose
- **Sharing (YRNS/YRS)** - is the current approach/calibration still appropriate
- **Signals** - i.e. general usefulness of signals, negative charges & treatment of demand/signals
- **Technology Types** - different treatment based on generation technology & categorisation

Once the above categories are agreed, we then need to prioritise the order by which we address these.



Break

Next session starts at 14:20



Defect Prioritisation continued

James Stone



Relative Priorities - Categories

It is proposed that each category is now ranked to determine relative importance – this will then identify a running order in terms of those areas the Task Force considers should be progressed next.

- **Question 1: Considering the individual defects* within each category, please place the below in what you consider priority (1-8) order.**

Category	Description
A	Absolute vs. relative
B	Backgrounds
C	Data Inputs
D	Distributed Generation
E	Reference Node
F	Sharing (YRNS/YRS)
G	Signals
H	Technology type

- **Question 2: Please provide reasoning for your ranked category 1 being progressed before those ranked lower.**

* Detailed defect spreadsheet shared with Task Force members in advance for review



Defects by Category

➤ **Absolute vs Relative (Category A)**

- Should TNUoS reflect available capacity?

➤ **Backgrounds (Category B)**

- Would a single scenario reduce volatility?
- Should TNUoS be based on a future network or the network we have?
- To what extent should smart reinforcement be reflected in the methodology?

➤ **Data inputs (Category C)**

- Are there any data sources which themselves create volatility? What alternatives are there?
- Security Factors
- ALFs
- Scaling Factors
- ACS - is this still the right measure?
- How transparently can data be shared?

➤ **Distributed Generation (Category D)**

- Should 132kV generation all be in the transport model? (And, separately, should DG face TNUoS?)

➤ **Reference Node (Category E)**

- Is the current approach to the reference node still correct?

➤ **Sharing (YNRS/YRS) (Category F)**

- Is the current approach to YRNS/YRS appropriate?

➤ **Signals (Category G)**

- Locational investment signals for offshore
- Long-term fixing of TNUoS
- Is it appropriate to have negative locational charges for generation?
- Is it appropriate to have negative locational charges for demand?
- Should (and how if so) demand charges send signals? Investment? Operational?

➤ **Technology type (Category H)**

- Is it still appropriate to treat different technology types differently? (Link to YRNS/YRS)
- Do we have the correct generation categories?



Potential 'Quick Wins'

Finally, it is proposed that we also need to consider which defects on the updated list could be expedited in terms of review and progression via raising of modifications (i.e. without significant further discussion by the Task Force).

Item Number	Issue/Defect/Area for Review
1	Should TNUoS reflect available capacity?
2	Would a single scenario reduce volatility?
3	Should TNUoS be based on a future network or the network we have?
4	To what extent should smart reinforcement be reflected in the methodology?
5	Are there any data sources which themselves create volatility? What alternatives are there?
6	Security Factors
7	ALFs
8	Scaling Factors
9	ACS - is this still the right measure?
10	How transparently can data be shared?
11	Should 132kV generation all be in the transport model? (And, separately, should DG face TNUoS?)
12	Is the current approach to the reference node still correct?
13	Is the current approach to YRNS/YRS appropriate?
14	Locational investment signals for offshore
15	Long-term fixing of TNUoS
16	Is it appropriate to have negative locational charges for generation?
17	Is it appropriate to have negative locational charges for demand?
18	Should (and how if so) demand charges send signals? Investment? Operational?
19	Is it still appropriate to treat different technology types differently? (Link to YRNS/YRS)
20	Do we have the correct generation categories?

Break

Next session starts at 15:30



Future Deep Dives

James Stone

The objective of this session is to provide:

- Visibility of potential structure and content of deep dive sessions in relation to analytical assessment undertaken so far



Deep Dives

Following the high-level overview provided of the analytical assessments so far, it was agreed that a further deep-dive session(s) would be beneficial. It is proposed that the structure and content of the meeting(s) includes:

1. Initial focus on Backgrounds & Reference Node (2/4 areas assessed)
2. Further detail in relation to the issues identified/approach taken to the overall review
3. A walk-through in terms of conceptual assessments undertaken so far
4. In-depth examination of the initial conclusions and potential options identified
5. Detailed view provided of quantitative analysis (impacts on charging etc) for each option
6. Preliminary views in relation to queries raised following high-level overview
7. Identification of possible gaps in current analysis and any additional options to consider

➤ **The overall aim of these deep-dive sessions will be to identify what the Task Force considers require further investigation within these topic areas**

Revised Forward Looking Plan & Future Dates

Nicola White

Revised Forward Looking Plan

Following feedback, an updated plan for the Task Force programme of work has been produced. This aims to maintain momentum but allow the timeline and the various deliverables and interdependencies to be managed with an improved level of flexibility.

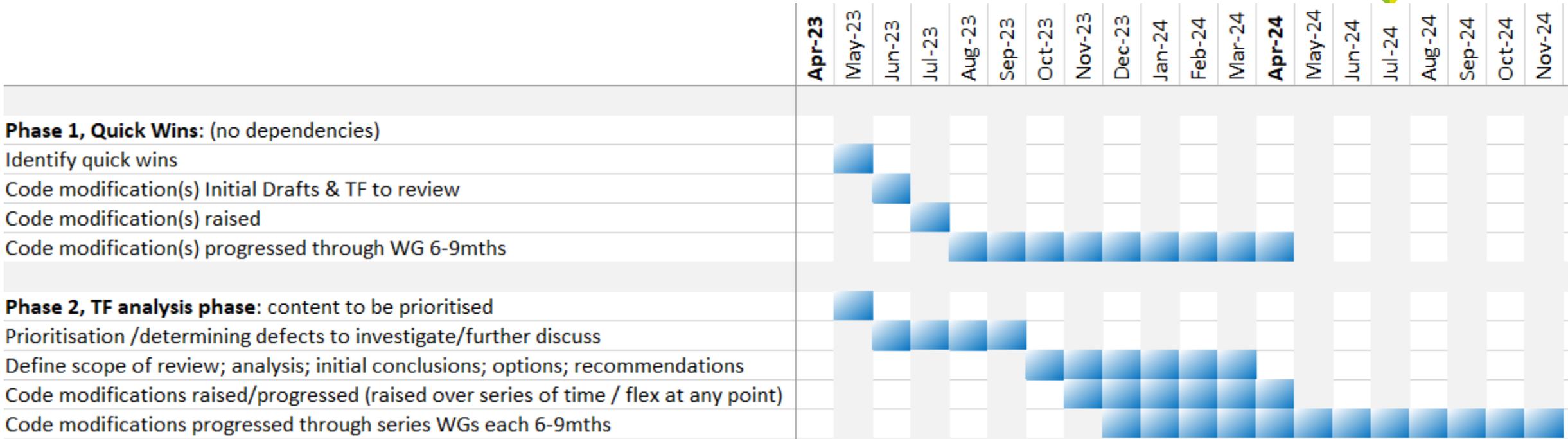
It's proposed that:

- > The overarching plan and high level stage gates (inc. overall timeline, report drafting, consultation periods etc) is maintained but with a slightly extended timeline
- > Any report to be potentially phased i.e. findings/recommendations from initial assessments could be delivered with a view to a further iteration being produced following the completion of the next batch of work
- > We propose that separate 'secondary' work plans (that feed from the overarching timeline) for those areas considered to require further investigation and potential quick wins (where modifications could be raised with minimum discussion) are also managed in parallel.
- **Depending on overall progress we propose the timeline should be revisited on an ad-hoc basis**

High Level Forward Looking Plan

Activity	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Analytical support & Draft findings (Backgrounds; Shared/Not-Shared elements; Data inputs; Reference Node)	█	█	█	█							
NIA Progress Report - Draft begins May-23 + Final report published Jul-23		█	█	█							
Frontier-Economics/LCP Analytical Support Report					█						
Consultation Draft & 6-week Consultation period						█	█	█			
NIA Completion Report - Draft begins Oct-23 + Final report published Dec-23							█	█	█		
Review & action responses / Issue Report to Ofgem									█	█	█

➤ 2 Step 'Phased' Programme of Work



➤ Future Meeting Dates

The following dates have been considered to ensure adequate attendance considering both TCMF, CUSC Panel and holiday periods:

- > TF6(f2f) 19th; 20th; 23rd; 26th;
28th June
TF6(a)(v) w/c 17th July
- > TF7(f2f) 24th; 25th; 26th; 27th;
31st July
TF7(a)(v) w/c 14th August
- > TF8(f2f) w/c 11th September
TF8(a)(v) 25th; 26th; 27th; 28th
September
- > TF9(f2f) w/c 9th October
TF9(a)(v) 23rd; 24th; 25th; 26th
October

(f2f) face to face
(v) virtual
(a) actions check-in

➤ A doodle poll will be sent to members post meeting to gather availability for the above dates

Next Steps and Close

Jon Wisdom



Thank you

