

# Code Administrator Meeting Summary

## Meeting name: CMP405 - TNUoS Locational Demand Signals for Storage Workgroup Meeting 5

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Date: 11/12/2023

### Contact Details

Chair: [catia.gomes@nationalgrideso.com](mailto:catia.gomes@nationalgrideso.com)

Proposer: [damian.clough@sse.com](mailto:damian.clough@sse.com)

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## Key areas of discussion

### Proposer Feedback on Key points

The Proposer talked the Workgroup through the key points raised on Workgroup meeting 4 that needed further detail. Main highlights were:

- Will TOs need to invest less on the network due to storage reducing stress and constraints boundaries?

The Proposer commented that analysis has been shared that evidence this and asked for evidence to be shared by the ESO. The ESO representatives asked for a detailed request of what analysis is required before making an approach to the ESO Revenue team with any requests for data.

The Proposer referenced “Backgrounds” and the link between generator constraints and Transmission Investment and the SQSS. The ESO representative asked if the SQSS “Economic Background” is within the scope of this modification. The Proposer commented that reducing constraints = reducing investment and building on what the SQSS says.

A Workgroup member asked for Transmission Operator assumptions and ESO assumptions on storage investment before assessing any solutions. The Ofgem representative stated that the alleviation of constraints is on the Proposer to evidence and any analysis needs to answer the defect and cover all zones. No CAPEX evidenced in investment. Locational aspect across zone data.

- Tightening of the underlying defect. At the Workgroup there were divergent views on whether this was a loss of operational signal or a loss of investment signal from the TCR. The underlying principles of the TCR were reducing harmful distortions, fairness and proportionality, and practical considerations.

The Proposer stated that CMP343 had allowed the defect to continue and that across year demand by storage is not recognised with demand seen as a cost historically, but flexible demand is of benefit to the system. The ESO representative stated that TO connection is for TEC (Transmission Entry Capacity) of Storage. The Proposer stated that it is cheaper to

constrain battery storage and with the added benefit of being able to export later. The Ofgem Representative stated its Net Zero at least cost to the consumer and that the TO builds on capacity to export, TEC.

- Is it possible to model more zones across GB and model the network charged to consider the consumer impacts, to help qualify and quantify the scale of the problem?

The Proposer will request further analysis from LCP on the above.

### Review Solution Options - Discussion and considerations

The Proposer presented slides on Demand Credits Design Options, main highlights were:

- The ESO representative asked for clarity on system tagged events and asked if this should read as system flagged events as there is no industry sight of system tagged events. The Proposer confirmed that it should be system flagged events.
- The Ofgem representative asked for evidence of “Bid Off” as the Workgroup have been referring to being “Bid On” and “Bid Off” are we assuming that storage is “Bid On”.
- The Ofgem representative commented that this is an operational signal, which is not for consideration by TNUoS.
- The Ofgem representative stated that Transmission Operators investments costs are on Transmission Entry Capacity (TEC).
- The Proposer Alternate commented that the Year-Round Charge is all about congestion and network investment charges so unsure on missing evidence to link this.
- A Workgroup member stated that shared benefit between constrained users as well as the Storage users helping in that zone should be targeted.
- The Ofgem Representative asked if the practical option for “Constrained Alf” is the preferred option? It would be good to have CAPEX costs on reinforcement.
- The ESO Alternate commented that the Workgroup has no Transmission Operator (TO) representative, so Workgroup discussions are lacking a TO perspective currently. The Proposer agreed to make TO’s aware of Workgroup discussions.
- A Workgroup member reminded the Workgroup that TO’s receive information and had the same opportunities to join the Workgroup as all other industry parties so its for them to prioritise as appropriate.

### Review Action Log

The Chair led a review of the Action Log.

### Review of Timeline

The Workgroup agreed the latest amendments to the timeline.

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## Next Steps

- Proposer to provide further analysis required on consumer impacts and the modelling of extra zoning to help quantify the scale of the problem.

**Actions**

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

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
2	WG1	All	Workgroup to consider what additional analysis is required for the consultants that has not yet been extracted.	External consultants presented the Full Report to WG4.	09/02/2023	Closed
4	WG1	Proposer	Consider timeline for external consultants	External consultants presented the Full Report to WG4.	24/02/2023	Closed
6	WG2	AP/RDL	ESO to request initial data from ESO ENCC	Data shared previously.	WG3	Closed
7	WG3	ALL	Workgroup members to consider the 4 solutions the proposer presented and provide any feedback.	To be revisited when workgroup discuss the solution in detail.	TBC	Open
8	WG3	Proposer	To clarify: Year-Round Demand		WG4	Open
9	WG3	Proposer	Consider a suggested analysis question: Does the charge happen at the same time as constraints?	Proposer confirmed details contained within the external consultants Full Report.	WG4	Closed
10	WG3	Proposer	Provide the average duration of a constraint	Proposer confirmed details contained within the external consultants Full Report.	WG4	Closed
11	WG4	CG	Remove reference to CMP394 in Terms of Reference b) and c), as CMP394 has been withdrawn.		WG5	Closed
12	WG4	DC	Will TOs need to invest less on the network due to storage reducing stress and constraints boundaries?		WG5	Closed
13	WG4	DC	Is it possible to model the other zones across GB to	In process	WG5	Closed

			help qualify and quantify the scale of the problem?			
14	WG4	DC	Clarify whether the modification will be extended to all Demand?	No, as this would require a new modification being raised and this modification being withdrawn.	WG5	Closed
15	WG4	DC	Tightening of the underlying defect. At the WG there were divergent views on whether this was a loss of operational signal or a loss of investment signal from the TCR. The underlying principles of the TCR were reducing harmful distortions, fairness and proportionality, and practical considerations.		WG5	Closed
16	WG4	DC	Model the network charges to further consider the consumer impact.	Further analysis required.	WG5	Open
17	WG4	DC	Is this modification discriminatory?		WG5	Closed
18	WG5	SD/AP	ESO to provide data on assumptions for storage investment.			New
19	WG5	DC	To provide specifics for the relevant analysis required from the ESO.			New
20	WG5	DC	Discussion with Ofgem around displacement of Gas Generation. Is TNUoS the best place for this issue? Evidence required.			New
20	WG5	DC	Further analysis required from LCP/ Frontier - Consumer impacts and other zoning			New
21	WG5	DC	Engage with TOs offline			New

**Attendees**

Name	Initial	Company	Role
Catia Gomes	CG	Code Administrator, ESO	Chair
Andrew Hemus	AH	Code Administrator, ESO	Tech Sec

Damian Clough	DC	SSE Generation	Proposer
Stephan Dale	SD	ESO	ESO Rep
Alison Price	AP	ESO	ESO Rep Alternate
Angeles Romero	SSE	SSE Generation	Observer
Damian Jackman	DJ	Field Energy	Observer
David Jones	DAJ	Ofgem	Authority Rep
Jo Zhou	JZ	ESO	Observer
John Prime	JP	Amp Energy	Workgroup Member
John Tindal	JT	SSE Generation	Proposer Alternate
Lauren Jauss	LJ	RWE	Workgroup Member
Lucas Saavedra	LS	Scottish Power	Workgroup Alternate
Paul Youngman	PY	Drax	Workgroup Alternate
Phoebe Finn	PF	Statera Energy	Workgroup Member
Robert Newton	RN	Zenobe	Workgroup Member
Simon Lord	SL	First Hydro Company	Workgroup Member