

# Code Administrator Meeting Summary

## CMP402 - Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements – Workgroup 13

Date: 08/01/2024

### Contact Details

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

Proposer: Nitin Prajapati, ESO [nitin.prajapati@nationalgrideso.com](mailto:nitin.prajapati@nationalgrideso.com)

## Key areas of discussion

The Chair outlined the meeting objectives and provided details of the anticipated discussion for the Workgroup.

### Timeline Update

Details of the timeline were shared by the Chair, highlighting deadlines to be met to ensure submission of the Workgroup Report meets the February target date. Members were asked to confirm if they had any questions or concerns, none were raised.

### Alternative Proposal Update

The Proposer of the Alternative has given written confirmation they wish to withdraw their Proposal. It was stated that the updated Original solution now explains in more detail how and why the liability risk is split between the end consumer and the developer. From this explanation it was clarified re-use factors were already being considered, negating the need for an Alternative to be raised.

### Review and Finalise Second Workgroup Consultation

It was clarified by the Chair, the reason for the Second Workgroup Consultation was due to the amended solution. This was to give industry the opportunity to share their views on the latest version of the Proposal.

The Proposer pointed out to Workgroup members the main updates to the solution summary section and advised that a more detailed update was available further in the report.

A member requested for the annexes related to the consultation to be shared, in particular annex 13 (onshore/offshore comparison analysis). The Chair advised members that the analysis was not yet complete, and this would be discussed later in the meeting, all other annexes were shared with members during the meeting.

In the solution section the Proposer summarised details that had been updated, then moved onto the implementation date advising it had moved from Q2 to Q3 to be in place for Q4.

The Chair suggested the rest of the meeting time could be used by members to review the consultation document and make any comments/suggestions. This would enable the consultation to be submitted by the end of the week to avoid timeline delays. A member requested to ask their questions now rather than send them later and this was agreed by the Chair.

The first question was to confirm the meaning of the term, AI profile. The Proposer advised this was the cost spent over the lifecycle of the project. This was followed by a request by the member to understand where the Cancellation Charge profile sits within the formula stated within the document, it's purpose and why it varies. It was agreed that the Proposer would take this away and update the member via email. The Chair confirmed the Proposer's action to clarify both terms within the document to allow the reader full understanding and the member agreed.

Further in the consultation document a member queried the paragraph below on page 6, advising it was incorrect. The Proposer agreed and would be amended accordingly.

*'The AI liability that is applied to G2 is proposed to be 33% of the AI value set via the Early-Stage Assessment process Pre-FID, rising to 67% post-FID. It is proposed that G2 can only fix the AI liability at the point at which the value is presented within the statements thus ensuring that the AI liability cannot be fixed at £0.'*

Another member asked if the Proposer had justification of the 67% post FID as this had been raised in previous meetings. The Chair advised this could be found in annex 11.

Ofgem's Representative gave their apologies for not reading the consultation document yet, noting this is the first day back for many people after the Christmas break. The Representative advised they would give more detailed feedback once they had reviewed the document. The Authority Representative went on to ask if there was any rationale behind the numbers within the consultation document and the reasons for these numbers, if not, could this be added to the consultation, along with justification of the 67% post FID for clarity.

A Workgroup member also questioned the Post Trigger Date values and requested the Proposer to be clear on why it is changing within the consultation.

**Action Update**

There were two actions from the last meeting to discuss, **Action 17**: Awaiting analysis (Open) and **Action 18**: Proposer has decided to withdraw Alternative (Closed).

The Chair asked members to confirm if the analysis was required to enable them to respond to the consultation. A member noted the analysis would be helpful for members when preparing their responses to the Second Workgroup consultation but could be completed without it.

It was agreed that although members felt they could complete the Workgroup Consultation response without the analysis, it should be ready in time for the Code Administration Consultation that is issued to the wider industry. The Proposer confirmed the analysis would be completed in time for the Workgroup Report and Code Administrator Consultation.

**AOB**

The Chair shared the timeline and highlighted how moving the Second Workgroup Consultation would affect the dates previously agreed at Panel. The Workgroup agreed the date for the Second Workgroup Consultation would be moved to **Friday 12 January 2024** to enable members to review and the Proposer to update the document accordingly.

**Next Steps**

- Chair to circulate the Second Workgroup Consultation to members after the meeting.
- Workgroup members to review the draft Second Workgroup Consultation and provide feedback by **4pm on 8 January 2024**.
- Proposer to action any comments made by members.

**Actions**

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

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status

17	WG12	Proposer	Analysis to explain rationale behind the numbers when comparing Onshore and Offshore and end consumer values	WG13	Open
18	WG12	Alternative Proposer	Update the Workgroup on Alternative proposal	WG13	Closed
19	WG13	Proposer	Proposer to update member with details of the purpose of the cancellation charge profile and why it varies.	12 Jan 2024	Open
20	WG13	Proposer	Proposer to update the consultation to give a fuller explanation of the terms AI profile and cancellation charge profile.	12 Jan 2024	Open
21	WG13	Proposer	Proposer to amend the paragraph (page 6) highlighted in the workgroup.	12 Jan 2023	Open
22	WG13	Proposer	Justification to be added to the consultation document for 67% post FID and numbers (2, 4, 6) quoted.	12 Jan 2024	Open
23	WG13	Proposer	Proposer to provide clarity on the post trigger date (25,50,75)	12 Jan 2024	Open

**Attendees**

Name	Initial	Company	Role
Claire Goult	CG	Code Governance, ESO	Chair
Deborah Spencer	DS	Code Governance, ESO	Tec Sec
Nitin Prajapati	NP	ESO	Proposer
Claire Hynes	CH	RWE Renewables Ltd	Workgroup Member
Faiva Wadawasina	FW	Bellrock Offshore Windfarms Ltd and Broadshore Offshore	Workgroup Member
Joel Matthews	JM	Diamond Transmission UK Ltd	Observer
Matthew Paige Stimson	MPS	NGET	Workgroup Member
Øyvind Bergvoll	OB	Equinor New Energy Ltd	Workgroup Member
Ryan Ward	RW	Scottish Power Renewables	Workgroup Member
Shannon Murphy	SM	Ofgem	Authority Representative
Umer Ameen	UA	BP	Workgroup Member