

CMP418: Refine the allocation of Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer

Thursday 8 February 10am

Online Meeting via Teams

WELCOME





Objectives

Claire Goult – ESO Code Administrator



Objectives

- Timeline
- Action Update
- Finalise Workgroup Report
- Workgroup Vote
- Review Terms of Reference
- AOB
- Next Steps



Timeline

Claire Goult – ESO Code Administrator

Timeline for CMP418

Milestone	Date	Milestone	Date
Proposal Presented to Panel	17 August 2023	Panel sign off that Workgroup Report has met its Terms of Reference	CUSC Panel Date 23 February 2024
Workgroup Nominations	29 August 2023 – 26 September 2023 (Extended)	Code Administrator Consultation (15 working days)	29 February 2024 – 21 March 2024
Workgroup 1 – Understand / discuss proposal and solution(s), review and agree on Terms of Reference and Timeline, review cross code impacts, review analysis and agree next steps.	19 October 2023	Draft Final Modification Report (DFMR) issued to Panel	18 April 2024
Workgroup 2/3 – Refine solution(s), draft legal text, consider potential Workgroup Consultation questions and finalise Workgroup Consultation	7 November 2023 29 November 2023	Panel undertake DFMR recommendation vote	CUSC Panel Date 26 April 2024
Workgroup Consultation (20 Working Days at Christmas)	2 January to 22 January 2024	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	29 April 2024 – 03 May 2024
Workgroup 4/5 – Review Workgroup Consultation responses, consider new points raised, refine solution, review legal text and discuss any potential alternatives	25 January 2024 31 January 2024	Final Modification Report issued to Ofgem	06 May 2024
Workgroup 6 – Finalise solutions (including legal text) and alternatives and hold alternative vote. Finalise Workgroup Report and hold Workgroup Vote	8 February 2024	Ofgem decision	By 30 September 2024
Workgroup Report issued to Panel (5 working days)	15 February 2024 (Papers Day) Code Admin deadline 12 Feb	Implementation Date	01 April 2025



Action Update

All

27	WG4	HT	Approach ESO revenue team to confirm / add to Action 26 information provided by DC "Provide information on connection exclusion charges and the end consumer financial impact of DRCE being included within this and associated change to ESO cost recovery.	WG5	Open
28	WG4	HT	Request the current CUSC Baseline to provide the agreed CMP418 legal text for the Workgroup Report	WG6	Open
29	WG5	CG	Update Consumer Impact section of the Workgroup Report with information provided from DC and ESO revenue team	WG6	New
30	WG5	CG	Update Cross Code Impacts section of the Workgroup Report with the discussion detail from WG5 with regards STC Section K.	WG6	New
31	WG5	GL	To review all the Workgroup Annexes when information received from the ESO revenue team (Action 27)	WG6	New



Finalise Workgroup Report

All



Workgroup Vote

All



Review Terms of Reference

All

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
a) Consider EBR implications;	
b) Consider any cross code impacts and interactions, specifically with the STC, Grid Code and CM085;	
c) Confirm whether the change is proposed to be retrospective or to apply only to future plant;	
d) Consider whether changes are required to Section 11 via a separate modification;	
e) Consider the extent to which the revenue recovery requirements need to be codified to provide clarity for parties;	
f) If DRCE asset costs are socialised, or alternatively if they are not socialised, consider whether parties who bear the costs of those assets as a consequence should also receive Balancing Services revenue for the associated reactive provision.	
g) Consider the impact of the change on the different OFTO set-ups and if this change is likely to impact future design set-ups;	
h) Consider aligning the definitions used with the Grid Code;	



AOB

Claire Goult – ESO Code Administrator



Next Steps

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Timeline for CMP418 – Updated January 2024

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