

# CMP424: Amendments to Scaling Factors used for Year Round TNUoS Charges

**Workgroup Meeting 4**

**9 April 2024 1.30pm**

**Online Meeting via Teams**

# WELCOME







# Objectives

Claire Goult – ESO Code Administrator



## Objectives

- Timeline Update
- Action Update
- Review Workgroup Consultation Responses
- Proposer Update
- Review Terms of Reference
- AOB
- Next Steps



# Timeline Update

Claire Goult – ESO Code Administrator

# Timeline for CMP424 – Updated 12 Feb

Milestone	Date	Milestone	Date
Proposal Presented to Panel	27 October 2023	Panel sign off that Workgroup Report has met its Terms of Reference	<b>CUSC Panel Date 26 April 2024</b>
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Workgroup 4 – Review Workgroup Consultation responses, consider new points raised, refine solution, review legal text and discuss any potential alternatives	9 April 2024	Final Modification Report issued to Ofgem	09 July 2024
Workgroup 5 – Finalise solutions (including legal text) and alternatives and hold alternative vote. Finalise Workgroup Report and hold Workgroup Vote	16 April 2024	Ofgem decision	By 30 September 2024
Workgroup Report issued to Panel (5 working days)	18 April 2024 (Papers Day)	Implementation Date	01 April 2025



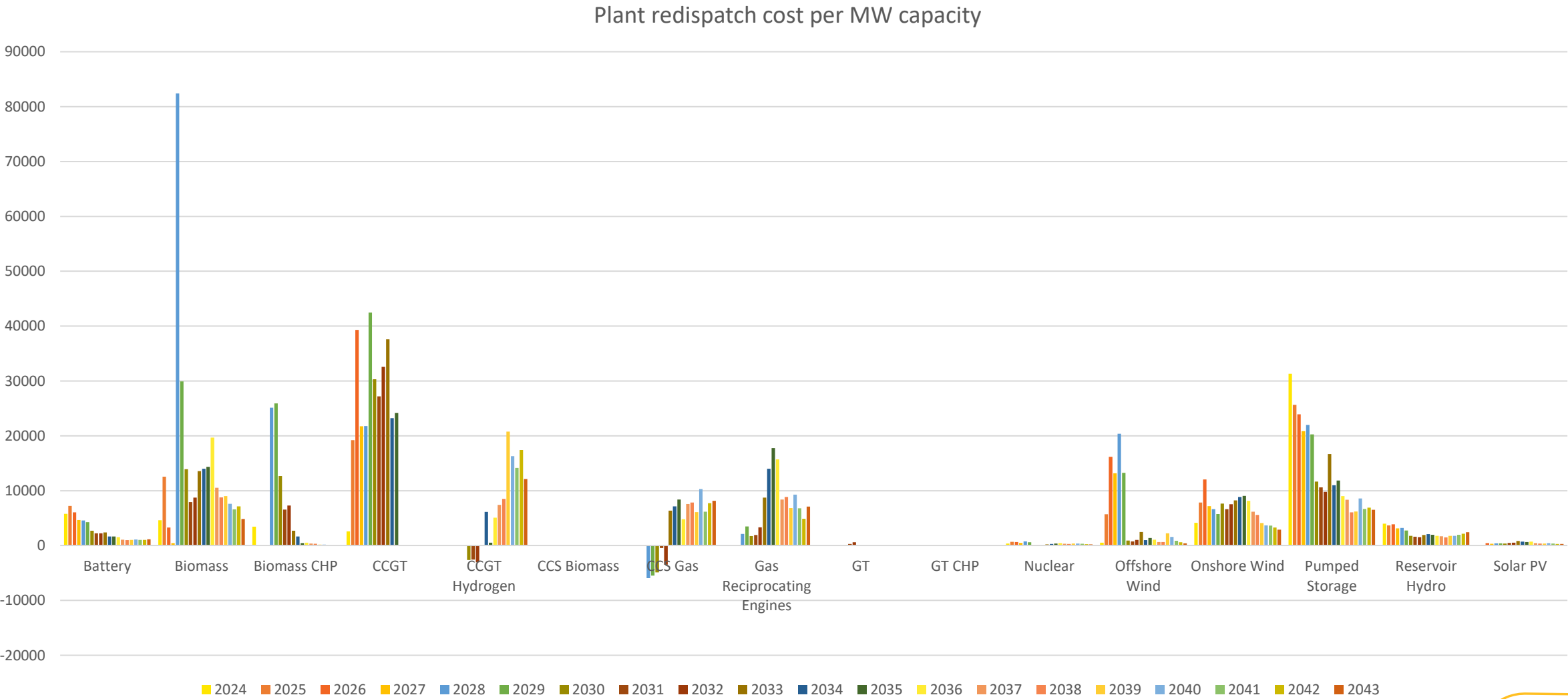
# Action Update

Martin Cahill - Proposer

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
11	WG2	MC	Speak to NOA team for any assistance on narrative around - Assess any link between scaling factors and system operation - for example minimum CCGT generation, instructing wind off etc		WG3	Open
12	WG3	MC	Share scenarios and forecast on when the defect (negative scaling factors) could occur.		WG4	New



# Action 11 link with NOA



## Action 11 link with NOA

	Load Factor									
Type	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Advanced Conversion Technology (ACT)	84%	81%	76%	76%	75%	73%	72%	66%	65%	
Advanced Conversion Technology (ACT) CHP	74%	71%	68%	67%	66%	65%	63%	60%	59%	
Aggregated Small CHP	4%	4%	4%	4%	4%	4%	4%	4%	4%	
Battery	-1%	-1%	-2%	-1%	-1%	-1%	-1%	-1%	-1%	
Biomass	19%	16%	15%	14%	48%	41%	39%	30%	31%	
Biomass CHP	23%	22%	26%	26%	49%	49%	47%	43%	43%	
CAES	-3%	-4%	-5%	-4%	-2%	-2%	-1%	-1%	-1%	
CCGT	12%	9%	10%	9%	11%	12%	12%	9%	9%	
CCGT Hydrogen							20%	16%	16%	
CCS Biomass							76%	76%	76%	
CCS Gas					47%	48%	48%	45%	42%	
Coal	0%									
Demand Shedding	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Diesel Reciprocating Engines	9%	3%								
Gas Reciprocating Engines	0%	0%	0%	0%	0%	0%	0%	1%	1%	
GT	0%	0%	0%	0%	0%	0%	0%	0%	0%	
GT CHP	47%	47%	47%	47%	47%	46%	46%	43%	43%	
LAES	-4%	-4%	-3%	-2%	-3%	-3%	-2%	-2%	-2%	
Nuclear	76%	75%	74%	76%	84%	84%	84%	83%	83%	
Offshore Wind	44%	43%	40%	42%	39%	43%	49%	50%	50%	
Onshore Wind	31%	30%	31%	34%	35%	35%	34%	33%	33%	
Pumped Storage	-3%	-3%	-3%	-3%	-3%	-4%	-3%	-3%	-3%	
Reservoir Hydro	32%	32%	32%	32%	32%	32%	32%	32%	32%	
Small-Scale-Hydro	21%	21%	21%	21%	21%	21%	21%	21%	21%	
Solar PV	10%	10%	10%	10%	10%	10%	10%	9%	10%	
Steam Oil	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Tidal Range	41%	41%	41%	41%	41%	41%	39%	38%	39%	
Waste	64%	60%	54%	50%	50%	48%	42%	31%	29%	
Waste CHP	65%	65%	66%	67%	67%	67%	67%	64%	64%	

## Action 12 forecast negative scaling factors

- Latest 5 year forecast is in production so currently this needs to be based off last years 5 year view
- Higher risk of variable scaling factor becoming negative from 2026/2027
- TEC register and best available information change regularly so it is not possible to pinpoint an exact time, but from this point onwards we expect to either see negative values, or be extremely close to negative

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# Review Workgroup Consultation Responses

All





# Proposer Update

Martin Cahill - ESO

# Proposer Update

- Legal text has been drafted – have reviewed internally but would like to check with workgroup before proceeding to workgroup vote
- No objections raised through workgroup vote (though only two responses)
- No changes to original solution – not seeking to introduce a trigger (backstop only used once variable factor is negative)
- Terms of reference:
  - Considered appropriate scaling factors - right approach for the scope of this modification is to align as closely to current scaling factors as possible
  - Impact on tariffs minimal as shown by analysis
  - EBR implications – do not believe any implications

# Legal Text

- CMP316 crossover
- Inclusion of example?

2009.  
14.15.7 Scaling factors for different generation plant types are applied on their aggregated capacity for both Peak Security and Year Round backgrounds. The scaling is either Fixed or Variable (depending on the total demand levelGeneration Plant Type) and based on in-line with the factors used in the Security Standard, for example as shown in the table below.

An additional floor for the Year Round Background variable scaling factor of 10% is used for charging purposes. If the methodology set out in SQSS for calculating the variable scaling factor results in lower number, the variable factor will be set at 10%, and fixed scaling factors adjusted by a uniform amount. This adjustment will be based on the SQSS principle that the total scaled output of all generation plant shall equal the ACS peak demand minus total imports from external systems.



<b>Generation Plant Type</b>	<b>Peak Security Background</b>	<b><u>Year Round</u> Background</b>
Intermittent	Fixed (0%)	Fixed (70%)
Nuclear & CCS	Variable	Fixed (85%)
Interconnectors	Fixed (0%)	Fixed (100%)
Hydro	Variable	Variable <u>(&gt;10%)</u>
Pumped Storage	Variable	Fixed (50%)
Peaking	Variable	<u>Fixed (0%)</u>
Other (Conventional)	Variable	Variable <u>(&gt;10%)</u>



The base scaling factors and generation plant types are set out in the Security Standard. These may be reviewed from time to time. The latest version



# Review Terms of Reference

## All



### Workgroup Term of Reference

a) Consider EBR implications

b) Consider the appropriate scaling factor for each generation type

c) Consider potential impact on tariffs





## **Any Other Business**

**Claire Goult – ESO Code Administrator**



## Next Steps

Claire Goult – ESO Code Administrator

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