

Code Administrator Meeting Summary

CMP430/CMP431: Workgroup Meeting 4

Date: 28/03/2024

Contact Details

Chair: Deborah Spencer (Deborah.spencer@nationalgrideso.com)

Proposer: Neil Dewar (neil.dewar@nationalgrideso.com) / Keren Kelly (keren.kelly1@nationalgrideso.com)

Key areas of discussion

The Chair welcomed all attendees to the Workgroup and outlined the agenda for the meeting.

Actions Log Review

The Workgroup reviewed the outstanding actions and agreed to close action 8.

The Proposer advised that internal conversations had taken place regarding action 5, and from the data they have there is no suggestion that it is significantly different from the latest winter period. The action will remain open while the Proposer investigates further.

Action 6,7 and 9 are to remain open due to difficulties arranging meetings with the relevant parties during the holiday period.

Double Charging Scenarios

The Proposer shared with the Workgroup several scenarios for double charging.

A Workgroup member added that the scenarios presented would also be true for Unmetered Supplies (UMS). UMS sites potentially could go through charging methodology changes over the course of the next 12 months due to the requirement to move UMS sites to half-hourly settlement under BSC Modification P434. The Proposer agreed they could be at risk of double charging but stated that as the proposed solution for this Modification is applicable from April 2025 those would not be within scope.

Another Workgroup member added that it might also be worth considering the impact on customers that are on contracts with their supplier starting from October rather than April. The Proposer agreed to add a scenario to reflect this.

Proposed Alternative Request

A Workgroup member raised an Alternative request to temporarily simplify the current structure of TNUoS tariff charging to reflect the loss of Measurement Class.

The Workgroup member presented the Alternative request to the Workgroup and advised that the proposed alternative solution is to recover any revenue from the demand locational tariffs (4-7pm charge or Triad charge) via the Transmission Demand Residual instead.

Currently (2024/25) relatively low sums are collected from the demand locational tariffs, c. £0.1bn out of c. £3.1bn total revenue recovered from Demand customers via TNUoS. Collecting all revenue instead via the Transmission Demand Residual would not materially alter customer bills while avoiding the need for industry parties to undertake IT system development at short notice.

The Alternative Request Proposer advised that their proposal is intended to be on a temporary basis, until reformed locational charging is introduced, following either the conclusion of the TNUoS taskforce, REMA or any other relevant stream of work. Explaining that it is not expected to have any impacts on Transmission-connected generators or Embedded Generators. ESO would continue to run the T&T Model, calculating the relevant locational tariffs. The relevant locational tariffs for demand users only would then be set to zero post model run.

The Authority representative shared concerns regarding the urgent timeline of CMP430 and CMP431, advising that the Workgroup should consider if there is adequate time to consider a change to the methodology of this scale, and the need to consult adequately, to actually get a fair representation of views. They also highlighted the risk of a send back, and the risk of the Authority having to do their own impact assessment, which would mean that this modification is not within the timeline that is needed.

A Workgroup member shared the concerns and advised that it feels a much more significant change than was signalled in the original defect, suggesting that it creates unintended consequences.

The ESO SME commented that there would be an impact on the standing charge of about £1.40 for a typical domestic consumer. The impact varies depending on the level of the locational tariff, and where that tariff is currently positive, advising that in the South, there are most positive tariffs that would differ to the impact in the North. Therefore, there will be an increase in costs in the North and for Scottish consumers. The ESO SME also stated that the Triad still may help the ESO control room to manage peak demands, highlighting the need to be mindful of unintended consequences and asking if this should be taken to Task Force and considered alongside Task Force changes.

A Workgroup member asked about the data requirements, to which the Alternative Request Proposer advised that it should not be a lot of changes to the data required, if any at all. Any impact to the MHHS Programme design would also need to be fully understood. A Workgroup member stated that they believed supplier systems would still need to map Connection Type Indicator to Measurement Class under the potential Alternative. The Alternative Request Proposer did not believe that this would be the case.

The Chair asked the Workgroup if they were comfortable to cast their vote on the Alternative request or if they would prefer to have time to consider this proposal and vote in the next Workgroup meeting. The Workgroup agreed to vote on the Alternative Request in the next Workgroup meeting on the 5th of April 2024.

CMP431 Solution (Sections 3 and 11)

The Proposer explained the CMP431 solution is covered in the proposed legal text changes in Section 11 and Section 3.

Connection Type Indicator

The Elexon representative agreed with the Proposer, that there is nothing relating to Connection Type Indicator, in the BSC at the moment. All BSC changes to introduce MHHS design will be subject to the Ofgem Settlement Reform Significant Code Review (SCR) process. The suite of SCR legal text changes will be baselined under the MHHS Programme in August 2024. A Workgroup member noted that the Ofgem decision date for implementation of the SCR Modifications is not until March 2025.

Domestic Premises Indicator

The Proposer advised members that an additional error had been identified which was not captured as part of the initial consultation, the error in the X2 table (BSC definitions) is showing the indicator listed as T and this should be an N. This was shared with the Market Wide programme and after discussions it was agreed that all involved were happy with the wording.

As with the Connection Type Indicator, the Proposer noted a concern that CUSC legal text that references directly to the BSC drafting proposed by the MHHS Programme, will be text that has not been approved by the Authority. A Workgroup member noted that they had not appreciated the complexity, and this added more weight to the argument for defining terms in the CUSC. There was a concern that the BSC legal text draft could differ from the CMP430/431 legal text that is presented to Ofgem.

Measurement Class for Non-MHHS Metering Systems and Measurement Class for MHHS Metering Systems

The Proposer advised members that a drafting error had been identified which was not captured as part of the MHHS Code Topic Mop Up 2 Consultation. In BSC Annex X-2 Technical Glossary, under the Measurement Class for MHHS, Metering Systems Measurement Class D, is showing the Domestic Premises Indicator listed as 'T' and this should be 'F'. This was shared with the MHHS Programme and after discussions, the MHHS Programme agreed to update this in the next version of the document drafting.

The Proposer advised that Measurement Classes is not defined in the CUSC despite being referenced in Section 14. The proposed solution intends to mirror how Measurement Class is defined in the BSC. The Proposer noted that the current BSC mentions Measurement Class only at the moment, and that the proposed MHHS draft legal text has amended this reference to reflect Measurement Class in the context of non-MHHS and MHHS Metering Systems. The Proposer advised the suggested approach is to introduce a CUSC definition for Measurement Class for both non-MHHS and MHHS Metering Systems. A Workgroup member questioned why the Proposer did not just reference the section in the BSC. The Proposer advised that they are happy to take that away and discuss with the legal team.

A Workgroup member commented on the need to make it clear in the Workgroup Consultation that that the solution and legal text are contingent on future industry change., advising that change is assessed against the current baseline. The Workgroup member stated that they understand it is slightly different with MHHS. The Proposer agreed this should be transparent in the consultation which will need to outline what design elements have already been agreed under MHHS Programme governance.

Legal Text Update (CMP430)

The Proposer shared with the Workgroup the draft legal text for Section 14.

A Workgroup member questioned the meaning of “net consumption”, querying if the Proposer is trying to introduce an embedded benefit against the 4-7 PM charge. The Proposer agreed to take this away to confirm with the ESO Revenue team and stated that is not the intention to introduce new terms.

The Proposer highlighted clause 14.17.20, stating that there were some internal comments about the need to ensure consistency through the CUSC and advised that this clause is being considered and that he would advise the Workgroup on any changes proposed for it.

The Proposer explained that clause 14.17.40.2 is to be removed and the Workgroup had no comments.

The Elexon representative queried the use of migration period in clause 14.17.41.3 and suggested using either transition period or even the MHHS defined milestone. The Proposer will meet with the Elexon representatives to ensure the correct terms are used.

Next Steps

- Circulate draft legal text to the Workgroup once the Proposer and the Elexon Representatives have confirmed the correct terms.
- Workgroup to send comments and feedback.

Actions

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

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
5	WG2	Proposer	Consider if there is any insight available into impact of Triads over winter 2023 and if this has changed following implementation of the Targeted Charging Review (TCR)		WG3	Open

6	WG3	Proposer	To speak with Ofgem about possible data available through previous RFI	WG4	Open
7	WG3	Proposer	To speak with the Revenue Team to work on information relating to impacted sites.	WG4	Open
9	WG3	Proposer	To meet with Ofgem and MHHS Programme about the interacting timescales and the certainty needed around the Legal Text	WG4	Open
10	WG4	Proposer/ HB	To meet with HB to consider the scenarios for contracts from October.	WG5	Open
11	WG4	Proposer/ Elexon Representatives	To meet to discuss the correct terms to use in the legal text.	WG5	Open

Attendees

Name	Initial	Company	Role
Deborah Spencer	DS	Code Governance, ESO	Chair
Catia Gomes	CG	Code Governance, ESO	Tech Sec
Neil Dewar	ND	ESO	Proposer
Keren Kelly	KK	ESO	Proposer Alternate
Nicky White	NW	ESO	ESO Revenue SME
Lee Stone	LS	Npower Commercials Gas Limited	Workgroup member
Hugh Boyle	HB	EDF Energy	Workgroup member
Gareth Evans	GE	WWA	Workgroup member
James Knight	JK	Centrica	Workgroup member
Andrew Colley	AC	SSE Generation	Workgroup member
Neil Geddes	NG	Scottish Power Transmission	Observer
Colin Berry	CB	Elexon	Observer
Jason Brogden	JB	Elexon	Observer
David Tooby	DT	Ofgem	Authority Representative