

# Meeting Headline Report

## TNUoS Taskforce Meeting 14

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Date:	27/03/2024	Location:	Leonardo Hotel (London)
Start:	10.00	End:	16:00

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### Signals sub-group

**Objective:** Demand TNUoS

**Outcome:**

- Task Force agreed there is a high priority case for change (given importance of investment signals for demand cited in the 2nd Review of Electricity Market Arrangements (REMA) consultation and ESO Beyond 2030 report) and further analysis should be conducted at workgroup stage.
- Task Force agreed that Option 1, proposed by Frontier in their report, would be the better of the proposed options for a modification.
- Task Force believe a modification:
  - Should not include changes to the Embedded Export Tariff (EET).
  - Should consider appropriate treatment/no change for storage imports in terms of chargeable volumes/capacity.
- Appropriate treatment for storage should be considered by new storage sub-group.

### TNUoS Tariff Fix

**Objective:** Fixed TNUoS

**Outcome:**

- Task Force reviewed the Frontier Analysis proposal scope and decided:
  - Any qualitative analysis can be carried out by Task Force and/or workgroup and was not necessary for consultant analysis.
  - Quantitative analysis can be simplified because the impact on Contracts for Difference/Capacity Market prices is the same as the reduction in the Levelized Cost of Electricity (LCOE) from reduced cost of capital and there is data and analysis already publicly available that can be used. Task Force agree the impact on Transmission Demand Residual charge element (and therefore the consumer) is zero where there is an adjustment in the tariff to remain with the €0-2.50/MWh range.
- Task Force agreed that the only way fixing introduces inefficiencies in decision making is where a generator can respond to the TNUoS signal and makes a decision using a fixed tariff. This can be completely mitigated by restricting fixed TNUoS eligibility to those with Capacity Market or Contracts for Difference contracts, but this was seen as too restrictive as generators may wish to fix TNUoS risk at other times such as after contracting for leases or on contracting a Power Purchase Agreement (PPA). Therefore, the option to fix remains the preferred option by Task Force.

## Data Inputs sub-group

**Objective:** Update on ongoing actions in the data subgroup.

- The most common ask from the industry is for a longer term view of revenues.
- Value in the short term in providing greater depth/transparency in the forecast numbers.
- Very little feedback from suppliers on what further information would be useful for us to get from TO's.

**Outcome:**

- To arrange session with TO finance teams, ESO and supplier reps to discuss what could be provided and how that could be codified.

## Sub-group Review

**Objective:** A session to review initial ask of each subgroup and to planned next steps.

**Outcome:**

- The group ran through all questions initially asked of the sub-groups to determine if they had all been considered. All questions have been considered.