

Code Administrator Meeting Summary

Meeting name: CMP417: Extending principles of CUSC Section 15 to all Users Workgroup Meeting 4

Date: 07/03/2024

Contact Details

Chair: Lizzie Timmins, National Grid ESO elizabeth.timmins@nationalgrideso.com

Proposer: Alison Price, National Grid ESO alison.price@nationalgrideso.com

Key areas of discussion

The aim of the Workgroup was to review legal text in order to assist refining the end solution.

Timeline and Terms of Reference

The Chair shared the timeline highlighting that there was one more Workgroup before the Workgroup Consultation. The Workgroup were advised the timeline would be revisited at the end of the session to confirm progress.

Details of the Terms of Reference were also discussed, the Chair noted Term of Reference (c), Consider interactions with other code modifications.

Members were advised there were other modifications that related to CMP417 that the Workgroup may need to consider: CM094, CMP428 and CM093.

Actions Review

Outstanding actions were reviewed, and the following were agreed:

Actions: 8, 13 will remain open

Actions: 9, 11,12, 14 and 15 can be closed.

Proposer's Presentation

The Proposer gave a recap on why the proposal was raised and went on to share the proposed solution.

As several questions had been raised in previous Workgroups the Proposer addressed these in their presentation. The slides can be found in the Workgroup papers.

The Proposer reiterated if any members had questions, they would be happy to address them, none were raised.

Legal Text

The legal representative advised the group they would talk through the structure of the legal text, noting there were key points that were quite fundamental, i.e., Attributable Works, how sharing is addressed, and finally, the concept of distributed demand. They advised the Workgroup that Demand is different to some other Users in that they don't have the concept of wider works.

The legal representative advised the group that section 15 was to be split into sections A and B and went on to share definitions that had been added. They also highlighted that rather than create new definitions the original definition would be edited to reference the A and B sections.

Attributable Works was a key definition that was discussed, and Workgroup members were encouraged to comment and ask questions. Some Workgroup members queried whether it was appropriate that Attributable Works covered work up to the MITS node; some noted they thought it should be less or more than this. An ESO representative confirmed they believed it should cover work up to the MITS node, as Demand do not trigger wider works beyond the MITS.

It was highlighted to members that the term "Final Sums" was not in the main body of the CUSC and was solely dealt with in the construction agreement. The details had been lifted from there and added into section 15 Part B.

The term "Key Consents" is to be added to the appendix in the construction agreement.

The legal representative advised that further discussion was required within the Workgroup on distributed demand and the role it plays.

The Workgroup discussed that the term "Users Works" within the "Key Consents" may need to be made clearer, possibly adding an example for clarity.

Section 15 (Section B)

Two versions of this section were sent to Workgroup members, one that showed the changes made as tracked changes and the other showing the changes as clean.

Part 2, calculation of final sums, mirrors user commitment in part A in terms of explaining how it works. Each Construction Agreement (ConsAg) will have a completion date but the trigger date which is not normal for these types of Users will work back (as in 2.2) from the charging date.

Section 2.3 and 2.4

Updates made by the legal representative were highlighted and further context given by the legal representative.

Section 3.3 Fixed Final Sums and 3.4 Actual Final Sums

Changes were noted by the legal representative and context given.

The legal representative gave members a view of the User Commitment approach, before moving onto section 3.3.3.

A Workgroup member thanked the legal representative for the overview and pointed out that it would be helpful to have worked examples provided with the various permutations mentioned. This was taken as an action for the Proposers to share worked examples to give some context to the formulas.

3.3.3 Fixed Final Sums Amount.

The legal representative noted the comments made to the legal text and gave context for clarity for the Workgroup members.

A Workgroup member raised a question around secured capability, and an example was shared by another Workgroup member to help clarify understanding. This created discussion with members.

The legal representative asked if members agreed that there were two steps, one to get the sharing across all technologies for an asset that is shared, and secondly, there is something extra that needs to be done with the output of that. The liability is more than the cost of the asset.

A Workgroup member shared an example on screen with the Workgroup members to help with SIF understanding; Workgroup members were given the opportunity to comment on the example.

A Workgroup member noted that the whole point of User Commitment was to stop assets being built that won't be used or will be stranded. They noted that with Demand, it was slightly different as the assets may be being built slightly earlier than needed as opposed to them being stranded. They queried the chance of the assets being used on the system rather than being stranded, noting that this makes sense for generation but for Demand they are not going to be stranded but used at a later date. They queried what the risk is that is being covered by User Commitment.

The legal representative responded to the Workgroup member with their rationale, they also asked the Workgroup if they thought an extra factor or edit was needed to deal with the points raised.

Another Workgroup member noted they thought this was not necessary.

The legal representative suggested the ask of Workgroup was, do they agree with the suggestion that the SIF needs scaling in some way, and do they agree or disagree that there is a need to change the LARF.

There was some discussion on the ask of the Proposers. The legal representative advised that the ask was to Provide a few examples to see whether having a scaling factor to make sure that the overall liability sections isn't more than the cost of the asset.

Also, to look at the asset reuse factor and see if anything in that needs to be adjusted to cater for the peculiarities of demand or not. Some examples may be needed to prompt a discussion and then update the legal text if needed.

A Workgroup observer suggested that from an ESO point of view it needs to be clear that introducing the scaling factor is something that can be done consistently. Examples may need to be produced to help Workgroup members to visualise.

The remaining section 15 was reviewed, it was noted that this section mainly mirrored what was in section A.

A Workgroup member noted it would be helpful to have an indication of the Proposers' thoughts across the various areas talked through by the legal representative. An action was taken.

Once the review of the section was complete, the legal representative reiterated, they wanted members to confirm they were happy with the structure of the legal text and, if they had any view on the approach adopted.

A member advised that it might help for clarity if Final Sums was called something else to differentiate against previous methodologies, other members agreed.

There was some discussion around questions for the consultation that the Chair noted and agreed made sense.

AOB

The timeline was again shared by the Chair, advising there was only one more Workgroup before the Workgroup Consultation. Members were in agreement to re-schedule Workgroup 5 to give time for actions to be completed.

The Proposer of STC, CM093 modification advised the group they did not think the changes to STC, and STCPs had any significant consequences.

One Workgroup member queried whether there would be an option for Users to remain on the current Final Sums methodology. An ESO representative clarified that the methodology will be changing under CMP417 and that all Users will move across to the new methodology.

Next Steps

- Summary to be shared with members.
- Re-schedule next Workgroup, draft Workgroup Consultation for members to review.

Actions

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

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
8	WG1	EW	Provide justification for solution within the Workgroup Consultation.	NA	TBC	Open
9	WG1	AP	Provide draft legal text	NA	ASAP	Closed
11	WG3	AP	Provide an update of status of the term 'Seven Year Statement' within the CUSC	NA	WG4	Closed
12	WG3	RM/AP	Provide wording in ConsAg (Construction Agreement) for key consents	NA	WG4	Closed
13	WG3	RM	Provide update on implementation date for existing Users	NA	WG4	Open
14	WG3	RM	Investigate whether a guidance note can be provided for FSM	NA	WG4	Closed
15	WG3	EW	Check figures provided for pre-trigger and circulate <u>UCM guidance document</u> to the Workgroup	Figures provided were from the current <u>UCM guidance document</u> .	ASAP	Closed

16	WG4	Chair	Share links to modifications that relate to CMP417	CM094 , CMP428 and CM093	WG5	Open
17	WG4	AQ	Provide more context for key Consent and show an example of what a key consent appendix looks like	NA	WG5	Open
18	WG4	Proposer	Worked Examples to be provided on the various permutations mentioned on the User Commitment update relating to section 3.3.3. to give some life to the formulas.	NA	WG5	Open
19	WG4	Proposers	Provide examples to see whether having a scaling factor to make sure that the overall liability sections isn't more than the cost of the asset and to look at the asset reuse factor and see if anything in that needs to be adjusted to cater for the peculiarities of demand or not. (Provide examples).	NA	WG5	Open
20	WG4	Proposers	To give an indication of their thoughts across the various areas such as arrangements for embedded arrangements.		WG5	Open

Attendees

Name	Initial	Company	Role
Lizzie Timmins	LT	Code Governance, ESO	Chair
Deborah Spencer	DS	Code Governance, ESO	Technical Secretary
Alison Price	AP	ESO	Proposer
Charles Deacon	CD	Eclipse Power Network	Workgroup Member
Damian Clough	DC	SSE Generation	Workgroup Member
David Halford	DH	ESO	Observer
David Jones	DH	Ofgem	Authority Representative
Edda Dirks	ED	SSE Generation	Alternate
Gareth Williams	GW	SP Energy Networks	Workgroup Member
Ghulam Haider	GW	Ofgem	Authority Representative
Harriet Eckweiler	GW	SHET	Workgroup Member
Jonny Clark	JC	SHET	Alternate

Matthew Paige Stimson	MPS	NGET	Workgroup Member
Mustafa Cevik	MC	UK Power Networks	Observer
Natalija Zaiceva	NZ	UK Power Networks	Observer
Rohit Alexander	RA	Statkraft UK	Workgroup Member
Ruth Matthew	RM	ESO	Observer
Steve Halsey	SH	UK Power Networks	Workgroup Member
Syed Nadir	SN	UK Power Networks	Observer
Tim Ellingham	TE	RWE Supply & Trading GmbH	Workgroup Member
Zivanayi Musanhi	ZM	UK Power Networks	Alternate