

Meeting Summary

Transmission Charging Methodologies Forum and CUSC Issues Steering Group 146

Date: 09/05/2024 **Location:** MS Teams
Start: 10:30am **End:** 11:45pm

Participants

Attendee	Company	Attendee	Company
Chris Parsons (CP)	ESO (Chair)	Andrew Hemus (AH)	ESO (Tec Sec)
Joseph Dunn (JD)	Scottish Power (Presenter)	Alex Curtis (AC)	ESO (Presenter)
Paul Mullen (PM)	ESO (Presenter)	Milly Lewis (ML)	ESO (Presenter)
Tom Steward (TS)	RWE (Presenter)	Adam Lee (AL)	Gazprom
Alan Fradley (AF)	ESO	Alan Kelly (AK)	Corio Generation
Alex Ikonic (AI)	Orsted	Alice Hannah (AH)	ESO
Alice Taylor (AT)	ESO	Callum Dell (CD)	Invenergy
Calum Duff (CAD)	Thistle Wind Partners	Catia Gomes (CG)	ESO
Charles Wood (CW)	Energy UK	Chiamaka Nwajagu (CN)	Orsted
Christopher Patrick (CP)	Ofgem	Claire Hynes (CH)	RWE
Damian Clough (DC)	SSE	Daniel Hickman (DH)	ESO
Daniel Hickman (DH)	ESO	Emily Myrtle (EM)	DESNZ
Garth Graham (GG)	SSE	George Douthwaite (GD)	ITP Energised
Gordon Frazer (GF)	ESO	Hadi Karimi (HK)	Light Source BP
Harriet Boyle (HB)	SP Energy Networks	Harriet Eckweiler (HE)	SSE
Harriet Harmon (HH)	Ofgem	Hector Perez (HP)	Scottish Power
Helen Stack (HS)	Centrica	Helen Stack (HS)	Centrica
Ishtyaq Hussain (IH)	ESO	Jacqueline Wilkie (JW)	SSE
James Knight (JK)	Centrica	James Stone (JS)	Ofgem
Jheaunelle Thomas (JT)	ESO	John Mclellan (JM)	Ofgem
Jonathan Bowes (JB)	Ofgem	Karl Maryon (KM)	Haven Power
Keren Kelly (KK)	ESO	Kevin Landers (KL)	Orsted

Kyran Hanks (KH)	Waters Wye Associates	Lauren Jauss (LJ)	RWE
Liam Cullen (LC)	Ofgem	Louis Sandiford (LS)	Ofgem
Martin Cahill (MC)	ESO	Matthew Paige-Stimson (MPS)	National Grid
Nayan Maske (NM)	ESO	Neil Dewar (ND)	ESO
Niall Simmons (NS)	Smartest Energy	Nick Everitt (NE)	ESO
Nicky White (NW)	ESO	Nicola Fitchett (NF)	RWE
Nina Brundage (NB)	Ocean Winds	Paul Mott (PM)	ESO
Paul Youngman (PY)	Drax	Pedro Arcain (PA)	Ofgem
Rachel Hodges (RH)	Cubico Invest	Rachel McLeod (RM)	ESO
Robert Longden (ROL)	Cornwall Energy	Robert Dunne (RD)	Intergen
Rustam Ellis-Majainah (RM)	OVO	Ruth Kemsley (RK)	EDF Renewables
Ryan Ward (RW)	Scottish Power	Sabrina Gao (SG)	ESO
Sally Ann Young (SY)	SSE	Samuel Adekanle (SA)	REA
Sean Nugent (SN)	ESO	Shannon Murray (SM)	Ofgem
Stephen Dale (SD)	ESO	Steven McKnight (SM)	Laser Energy
Suzanne Law (SL)	SSE	Tobias Burke (TB)	Energy UK
Tony Cotton (TC)	Energy Technical & Renewable Services Ltd	Varun Mittal (VM)	West of Orkney
Vicki Holland (VH)	St Clements	William Maidment (WM)	Ventient Energy

Agenda, slides, and modifications appendices

[Transmission Charging Methodologies Forum \(TCMF\) - 09.05.2024](#)

TCMF and CISG

These notes are produced as an accompaniment to the slide pack presented which can be found here [PowerPoint Presentation \(nationalgrideso.com\)](https://nationalgrideso.com)

Meeting Opening – Chris Parsons, ESO

CP opened the meeting, providing an overview of the agenda items for discussion and led a review of the action log.

TNUoS Task Force update – Joe Dunn, Scottish Power

JD shared an update from the TNUoS Task Force. See slides for more details.

DC asked whether the Task Force backgrounds workstream was still going ahead with work on Scaling Factors. JD potentially yes, but the SQSS review is still open.

RL flagged the Connection Reform urgent modifications impact on the Task Force and consideration of resource availability.

ESO Connections update - Alex Curtis and Paul Mullen, ESO

AC shared an ESO Connections update. See slides for more details.

GG asked for an update on [CMP328](#). **Action 24-10: [CMP328](#) update**

PM shared a brief Connection Reform modification update.

Two CUSC and two STC modifications have been raised with Ofgem granting urgency for all. The first workgroups started on 7 May. PM flagged the ambitious timeline, the huge time burden on industry and suggested progression over perfection.

RL asked for future updates to be brought to TCMF.

Code Administrator Update – Milly Lewis, ESO

ML shared a Code Administrator update. See slides for more details.

RWE/Taskforce proposal - fixing TNUoS – Tom Steward, RWE

TS updated TCMF on an RWE/Taskforce proposal to fix TNUoS. See slides for more details.

TS clarified that in this proposal any annual recalibration looking at under or over recovery would be passed into the existing TDR process. TS confirmed that any cancellation or reduction of TEC would be subject to a year and day notice.

RL noted that fixing TNUoS has been looked at many times and that normally less volatility for some results in more volatility for others and less volatility for all could result in more volatility for the ESO and TOs. TS suggested this would warrant further investigation, as the net outcome is not entirely clear.

GD asked about fixing over a 40yr period and the entire lifecycle of the project. RM responded suggesting that investment decisions maybe look out to 10-15yrs in terms of an MVP.

GG asked for the proposal to continue with the current transparency of the TEC register = TNUoS payment, with parties having the data on who is on a fixed TNUoS agreement. GG shared disagreement with a party being able to change Generation technology and to continue to use its initial TNUoS fix agreement. TS expressed a keenness to avoid gaming.

DC expressed thoughts on the quality of forecasts when thinking about volatility and unpredictability and asked why costs are changing so much, suggesting a remedy at source approach.

RM suggested that volatility could pass from generation to demand.

RM asked if a plant shut down and restart would be possible to game play. TS explained this approach would likely interact with the connection queue process so wouldn't be a commercial approach to take.

A question was asked about applying fixes for demand. TS suggested it would be possible for the locational demand charge, but not viable for the TDR as that would need to continue to function as today to ensure the right level of revenue was collected.

TS asked TCMF the following open questions:

- How best to address the “tail end” issue?
- Is the current scope (ie. locational wider charges only, not covering local charges or €2.50/MWh cap adjustment)
- Should developers that commit to a fix be “on the hook” for that level of TEC against the forecast (irrespective of closure / TEC reduction)?
- Are there unintended consequences or opportunities for gaming?

Please contact: tom.steward@rwe.com

AOB

TNUoS Charges

NE highlighted that a version 2 of the 5-Year View of TNUoS Tariffs for 2025-26 to 2029-30 would be published before the webinar on 15 May, there will also be a table detailing the changes from version 1.

[Webinar registration | Microsoft Teams](#)

The report can be found here: <https://www.nationalgrideso.com/industry-information/charging/tnuos-charges>

NG confirmed that the Specification for Demand reconciliation invoices would be on the website in the next couple of days.

Ofgem - Heads of Transmission charging updates

HH updated TCMF with changes at Ofgem detailing as remit and team have grown the in size a 2nd head of Transmission Charging has been appointed, Pedro Arcain (PA). Broadly speaking HH will be overseeing Connection Reform and REMA with PA overseeing Demand and Storage.

Action Item Log

Action items: In progress

ID	Description	Owner	Notes	Target Date	Status
24-6 Feb 29	Update TCMF with progress on potential CUSC defect on double counting of Cancellation Liability and Security presented by Tony Cotton at TCMF 1 February 2024.	CG	<p>MC detailed that a few conversations with ESO Connections Team and with TO's have taken place. The consensus is the defect doesn't have a big impact currently as opportunities for double counting are very rare. Going forward the defect would be best addressed in <u>CMP417</u>.</p> <p>TC broadly concurred with this but expressed, there is still a problem with the CUSC as written currently as the ESO has confirmed double counting does occur.</p> <p>TC requested that the materiality be assessed, especially in the light of the working group "hiatus".</p> <p>TC and MC agreed to take offline. Action to remain open with further update to be presented at TCMF when appropriate.</p>	May 24	Open

ESO

24-10 CMP328 update.
May 9

AC

June 24

New

Action items: Completed

ID	Description	Owner	Notes	Target Date	Status
24-7 April 4	NE to respond to PY on TNUoS Task Force Signals Work	NE	Task Force signals update given in May TCMF.	May 24	Closed
24-8 April 4	ESO to advise who is representing large scale demand users on TNUoS TF	NE	ESO to advise at next subgroup. Any questions please contact Christian Parsons.	May 24	Closed
24-9 April 4	ESO to confirm if CUSC and STC users have reciprocal arrangements for raising alternatives on proposed connections modifications	PM	ESO have confirmed yes, CUSC and STC Users have reciprocal arrangements.	May 24	Closed