

Meeting Headline Report

TNUoS Taskforce Meeting 16

Date: 30/05/2024	Location: Warwick
Start: 09.30	End: 16:00

Signals sub-group

Objective: Present latest proposals from the Signals sub-group and propose next steps

Outcome: Taskforce discussed negative impact on cost reflectivity of current drafted methodology where wider charging periods only act as a proxy for ACS Peak demand, where current triad approach is better.

Taskforce concluded they agree with the defect as drafted in the mod but the solution needs to be more sophisticated than the current overly-simplistic drafted version. Improvements to the draft were considered such as applying the solution to negative tariff zones only. General consensus was to retain "Option 1" to measure consumption all year. Whilst this might be appropriate for impact across all the year, it is a less accurate proxy for ACS Peak Demand.

Lauren Jauss will redraft an improved modification proposal and circulate by email for consideration by Taskforce, with a view to bringing to TCMF in the coming months.

Backgrounds sub-group

Objective: Present latest proposals from the Backgrounds sub-group and propose next steps

Outcome: The next steps were different for each background modification proposal:

To be developed as separate modifications, but for efficiency, expected to be either combined, or managed in parallel:

- Review generation scaling factors: Draft a modification proposal
- Technology classifications: Carbon vs Low Carbon: Draft a modification proposal
- Other technology classification issues: Draft an explanatory note to explain in more detail what a solution for PV should include.
- Model design: Parallel zones: Develop a presentation to explain the issue and proposed solution in more detail, to discuss at a future Task Force call
- Sharing: reflect that low carbon shares with low carbon: Sharing sub-group, including northern wind generators, will meet with ESO to identify what further work would be required to support the case for change, and how quickly this could be carried out.

Other background modifications:

- Demand - PS and YR have different demand scenarios to reflect the way flexible demand responds in different conditions: Draft a modification proposal. This modification should be developed and progressed in parallel with the demand charging modification arising from the “Signals” sub-group.
- Embedded generation modelling in the backgrounds: Actions placed on ESO to review data sources to assess feasibility of including demand and embedded generation in the transport model on a gross basis, instead of the current net basis, where embedded generation is modelled as negative demand.
- MITS node definition: Concluded that the Task Force will not pursue this any further. If the issue is not addressed elsewhere, then it could be revisited by industry.
- Offshore grid: Concluded that the Task Force will not pursue this any further. If the issue is not addressed elsewhere, then it could be revisited by industry.

Data Input sub-group

Objective: To update Taskforce on the status of CMP424 Amendments to Scaling Factors

Outcome: CAC Closed on 22nd May, with DFMR due to go to Panel in June. Agreed solution is to set a 10% floor on the variable scaling factor, with fixed factors reducing by a uniform amount to ensure total scaled generation is equal to ACS Peak Demand. Analysis showed minimal impact on tariffs. No further actions/questions raised by Workgroup.

Security Factors

Objective: Discuss the issues related to the Security Factor modification CMP432

Outcome: The Task Force discussed the merits of the CMP432 proposal. Next steps included:

- ESO will set up a call with Transmission network planning experts to discuss how the network is planned to be built in practice
- The proposer will have a follow-up call with Ofgem to discuss interactions between the Security Factor and the Expansion Factor modification proposal and the Expansion based approach of the Transport model