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CMP434 & CM095

Workgroup 27 Meeting

Summary

CM434 & CM095 Workgroup Meeting 27

Date: 08/10/2024 **Location:** Teams
Start: 10:30 AM **End:** 2:50 PM

Participants

Name	Initial	Company	Role
Claire Goult	CG	Code Administrator, NESO	Chair
Lizzie Timmins	LT	Code Administrator, NESO	Chair
Andrew Hemus	AH	Code Administrator, NESO	Tech Sec
Stuart McLarnon	SM	Code Administrator, NESO	Tech Sec
Graham Lear	GL	NESO	Proposer
Ruby Pelling	RP	NESO	Proposer
Alison Price	AP	NESO	SME
Mike Oxenham	MO	NESO	SME
Paul Mullen	PM	NESO	SME
Lee Wilkinson	LW	Ofgem	Authority
Alex Ikonic	AI	Orsted	Workgroup Member
Allan Love	AL	Scottish Power Transmission	Workgroup Member
Andrew Yates	AY	Statkraft	Workgroup Member
Andy Dekany	AD	NGV	Workgroup Member
Ben Adamson	BA	Low Carbon	Workgroup Member
Bill Scott	BS	Eclipse Power Networks	Workgroup Member
Brian Hoy	BH	Electricity North West Limited (ENWL)	Workgroup Member
Ciaran Fitzgerald	CF	Scottish Power Renewables	Workgroup Member

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Claire Witty	CW	Scottish Power Energy Networks	Workgroup Member
Garth Graham	GG	SSE Generation	Workgroup Member
Grant Rogers	GR	Qualitas Energy	Workgroup Member
Greg Stevenson	GS	SSEN Transmisson (SHET)	Workgroup Member
Helen Stack	HES	Centrica	Workgroup Member
Kyran Hanks	KH	CUSC Panel member	Workgroup Member
Laura Henry	LH	NGED	Workgroup Member
Mark Field	MF	Sembcorp Energy (UK) Limited	Workgroup Member
Mohammad Bilal	MB	UK Power Networks	Workgroup Member
Mpumelelo Hlophe	MH	Fred Olsen Seawind	Workgroup Member
Paul Jones	PJ	Uniper	Workgroup Member
Paul Youngman	PY	Drax	Workgroup Member
Phillip Addison	PA	EDF Renewables	Workgroup Member
Ravinder Shan	RS	FRV TH Powertek Limited	Workgroup Member
Richard Woodward	RW	NGET	Workgroup Member
Rob Smith	RS	Enso Energy	Workgroup Member
Ross O'Hare	RO	SSEN	Workgroup Member
Sam Aitchison	SA	Island Green Power	Workgroup Member
Tim Ellingham	TE	RWE Renewables	Workgroup Member
Zygimantas Rimkus	ZR	Buchan Offshore Wind	Workgroup Member

Key Objectives for this Meeting

The key objectives for this meeting are to look at the draft Workgroup Report and look at the Terms of Reference. Workgroup members can provide feedback and questions on these.

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Discussion and details

Topics to be discussed

1. TMO4+ Update

A NESO representative gave an update for TMO4+. It was stated that the special TCMF meeting on Friday the 11th of October will provide an update on the thinking around the financial instruments. It will also provide an opportunity to ask questions about the Financial Instrument element.

NESO stated that the webinar on Monday the 7th of October contained a few updates in relation to CP30. There will be an FAQ published as some of the questions that were asked were not answered in the webinar.

It was then stated by NESO that there would not be a draft of the Methodologies available to view in advance of the Consultation to which the Workgroup members raised concerns and disappointments. Some of the Workgroup members stated that there has not been meaningful engagement with them or with stakeholders. NESO reassured that they will be mindful of this, and of the fact that some aspects have been talked through more than others.

A Workgroup member asked when they are going to see the timeline, and NESO stated that the timeline is awaiting OFGEM approval.

2. DNO/ENA Update

An update was given in relation to the DNO/ENA. A Workgroup member stated that an external legal panel will look at if changes are needed to the distribution codes due to the TMO4+ Modifications. A Workgroup member stated the purpose should be to get a harmonised Distribution solution across the GB grid, rather than have 14 or 6 different solutions. There were then concerns raised by Workgroup members about how to properly ensure DNO involvement.

3. CMP434 Workgroup Report Review

The Chair thanked Workgroup members who had been able to provide feedback and make comments on the Workgroup Report. The Chair reiterated the importance of providing feedback on this report but was also aware that it is quite lengthy, and it may not be easy for members to take the time to read through it and provide feedback. The Chair then suggested to let NESO know if more time is needed to read the Workgroup Report. One of the Workgroup members suggested that NESO may need to make the meetings shorter to allow people to read the full report beforehand, as some members may not have time to do this outside of the meeting hours.

Overall, a common concern raised throughout the report is that clarity is needed in layperson terms, so that the report reads well to someone who may not be in the energy sector. To ensure this, wherever a methodology, etc, is mentioned, it should be linked to make it easier to know what the context is for that particular part of the report, making it simpler for everyone to understand. Another common concern throughout was

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consistency. For example, where the windows opening for Gate offers are mentioned, in some places it said “window”, and in others it said “windows”. To ensure consistency throughout, it was decided to use “windows” as there are multiple windows when it comes to the Gate offers.

NESO stated that when the final legal text is done, they will have to make minor amendments to the report, to reflect what is in the legal text. NESO are aware that this needs to be done and will ensure that it is.

A Workgroup member stated that the introduction of the “first ready, first needed, first served” wording is required throughout the report. NESO stated that it is in the methodology, but it will also be put in the report. It was also highlighted that there needs to be care taken with how the phrase is worded and the context around it.

A Workgroup member then asked for a specific implementation date rather than a quarter. Another Workgroup member asked that if it cannot be quantified right now, that some words be put into the report to explain that it will change, and that there will be a date. Some of the Workgroup members then expressed their concerns about not receiving a specific implementation date. NESO stated that there will be more detail as to why they cannot give specific dates in the report itself.

NESO will be publishing three methodologies along with the Code Admin Consultation, which are not part of the code governance. There is a need to clearly sign post to the readers that these methodologies and Code Admin Consultations are an integral part of the report. A Workgroup member stated the Methodologies should be available when the report goes out, and if they are not ready, they should still be linked as to where they can be found when they do go live. NESO confirmed that the methodologies will not be ready before the report goes out, but they will be linked in the report as to where they can be found, and it will also state when they will be uploaded so that the reader is aware.

It was asked that the Workgroup can see the next iteration of the legal text to review the draft wording.

There were requests to view the required standards for Gate 2 evidence. This needs to be checked against the legal text. Afterwards the correct wording for the report will be decided, to ensure that consistency is kept between the two documents.

The report will be updated to reflect that a project could face cancellation charges, as some Workgroup members stated this was not clear.

100% duplication checks are spoken about in the legal text, but it was asked that it is also reflected in the report by some Workgroup members.

NESO also stated that the WACMs will be added to the report once they are done.

Overall, it was highlighted that context is needed throughout to ensure that a layperson would be able to understand the report. It has been flagged via the comments where more context is needed, or where wording needs to change.

4. CMP434 Terms of Reference Review

A RAG rating was used for the ToR. Green is completed, amber is that discussion is ongoing but are on track to meet the ToR by the Workgroup Report and red is that it is not on track

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to meet the ToR by the Workgroup Report. It was stated that more of the ToRs can be made green after an update at next week's Workgroups. F and G can be made amber; I can be changed to green; K & M are to stay amber as they cannot progress because of the methodologies. Workgroup members stated that due to the Methodologies approach, the terms of reference may not be able to be completed as they cannot see the full picture to consider the terms of reference. Other Workgroup members were of the view that the Terms of Reference can be met, since the items can be considered despite the methodologies approach.

Action Log

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
35	WG10	AC/AQ	ESO to confirm whether additional uncertainty clauses (which have been appearing in offers recently) will remain		TBC	Open
49	WG17	MO	Updated action: SMEs to share a short summary of the methodologies and the underlying principles of this modification. This should include a plan for development of methodologies, including timescales and engagement with stakeholders.	Ongoing discussion with Ofgem	TBC	Open
56	WG18	MO	Confirmation of when the financial instruments modification will be raised.	ESO are currently performing an options assessment, and outcome of that (i.e. the specific option we proceed with) will dictate the timelines		Open

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that we will
need to
follow.

59	WG19	PM	Element 11 – Produce examples to provide clarification to the Workgroup (slide 25) on how using installed capacity could work in practice	To be added to the QM guidance (as relates to ongoing land compliance requirement) – follow up required to decide if 'installed capacity' is the correct term	TBC	Open
60	WG19	PM	Element 11 – Consider Workgroup Member request to provide analysis to show which projects could benefit from the Proposals (slide 26) to have a milestone adjustment ability for ESO e.g. where a developer asks for an earlier date and gets a later date, or asks for and gets a later date (but this is due to a normal programme timescales e.g. mega projects) to avoid unintended outcomes.	Ongoing – PM to reach out to EB	TBC	Open
77	WG26	MO	Clarify what is proposed to be codified in relation to when Modification Applications are required. For example, will it be codified that it is only possible for a User to seek acceleration (or be offered		TBC	New

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			acceleration by the ESO) by submitting a Mod App? Or will the ESO have full discretion to offer/grant acceleration to Users without a Mod App, as seems to be the case under the ongoing Transmission Works Review and the ESO initiative to accelerate the connection of Battery-only projects?		
78	WG26	MO	Provide update on process and timescales to amend charging statements (re: application fees) and an indication on what scale of change could be seen to application fees.	TBC	New
79	WG26	MO	Clarify when applicants will have visibility that there is to be Reservation associated with their project and separately when wider industry will be informed about where Reservation has occurred, whether in relation to a specific project or otherwise.	TBC	New
80	WG26	MO	Provide information on where the power and criteria for reservation will be set out and what the Governance process is around this.	TBC	New

Next Steps

The report will be circulated again after today to allow people to view the changes that will be made following the discussions that happened in today's meeting. There is also wording to be added to the Workgroup Report about the discussion that was had around the ToR.