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CMP434 & CM095

Workgroup 28 Meeting

Summary

CM434 & CM095 Workgroup Meeting 28

Date: 09/10/2024 **Location:** Teams
Start: 10:00 AM **End:** 3:00 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
Angela Quinn	AQ	NESO	SME
Dovydas Dyson	DD	NESO	SME
Mike Oxenham	MO	NESO	SME
Alex Ikonic	AI	Orsted	Workgroup Member
Adanna Ugo-okoye	AU	Statkraft	Workgroup Member
Allan Love	AL	Scottish Power Transmission	Workgroup Member
Andy Dekany	AD	NGV	Workgroup Member
Andrew Yates	AY	Statkraft	Workgroup Member
Bill Scott	BS	Eclipse Power Networks	Workgroup Member
Brian Hoy	BY	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
Ed Birkett	EB	Low Carbon	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
Hooman Andami	HA	Elmya Energy	Workgroup Member
Hugh Morgan	HM	Green Generation Energy Networks Cymru Ltd	Workgroup Member
Jack Purchase	JP	NGED	Workgroup Member
Joe Colebrook	JC	Innova Renewables	Workgroup Member
Kyran Hanks	KH	CUSC Panel member	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

Agenda

#	Topics to be discussed	
1.	Discuss requirements for WACM development	NESO
2.	CM095 Draft Workgroup Report Discussion	NESO

Discussion and details

1. Requirements for WACM development

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WACM 1, Steffan Jones / Brian Hoy:

The Workgroup asked whether the table located on Page 2 of the Alternative Proposal would be put into the legal text. The Alternative Proposer confirmed this was the case.

The Workgroup raised concerns around the wording of 'up to 100MW' as 100MW is not intended to be included in Category 1. The overall consensus was that it would be easier to use the more than and less than signs (< / >) for clarity.

There were concerns that the lower limits may be dependent on other things other than just capacity, some members felt this could become discriminatory. The Alternative Proposer stated that the table would be the default unless otherwise indicated. It was agreed that transparency would be needed regarding the other criteria, specifically when it is being applied to a particular location and where this is publicly available.

The Workgroup discussed the need for NESO to be clear on the criteria they require to support the legal text drafting, BH and AP agreed to liaise on this offline.

WACM 2, Helen Stack:

The Workgroup felt that it needed to be clear in the legal text that competent applications are needed in order to be submitted – including payments, red line boundaries etc.

The Workgroup called for consistency with DNOs and iDNOs, highlighting that both need to be mentioned every time for clarity. At present, some wording only mentioned DNOs.

The Workgroup supported an introduction of a checklist of 'minimum information' that needs to be provided. It was decided that 'minimum information' alone was too vague, and that it needed to be clear in the legal text exactly what this is.

In reference to defining 'minimum information' and 'competent applications', the Workgroup discussed whether the definitions should be listed in the CNDM and refer to this methodology for clarification. The Workgroup concluded that this related more to the Original Proposal, rather than this WACM. The Alternative Proposal is simply strengthening the obligation; therefore, the Original Proposal should define the terms. In short, this discussion was not directly relevant to this WACM, but the Workgroup decided this should be considered for the legal text for the Original Solution. NESO agreed to check the new solution and legal text for the Original Proposal and circulate this to the Workgroup Members to review.

WACM 3, Ed Birkett:

The Workgroup highlighted that it would be useful to have a timeline / schematic for the queue position re: capacity allocation.

The Workgroup felt that the publication of the queue would be advantageous for visibility. NESO direction would be needed on this, a Workgroup Member requested NESO to provide feedback on whether they would reject this to allow the legal text to be developed, the Workgroup was concerned that if NESO reject this Ofgem would not approve this WACM.

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The Workgroup felt the principle should be in the Code and then the guidance containing the details should be elsewhere, for example CNDM.

WACM 4, Ed Birkett:

The Workgroup discussed whether License condition or Code takes precedent. This needed to be investigated further.

NESO raised it may be worth considering this WACM alongside legal text review iteration 2.

WACM 5, Joe Colebrook:

The Alternative Proposer highlighted that they are aware things have moved on since this WACM and it seems as though project designation will be needed for Clean Power 2030. The Workgroup state that all three NESO scenarios include NESO designation, so at present this WACM is still relevant, although there was agreement that in the future this may need to be altered.

In terms of legal drafting, the Workgroup felt this was fairly simple as it only requires project designation to be removed.

Overall, when the Transmission License comes out this will be voted on at the next stage. The WACM can be left as it is until then.

WACM 6, Claire Hynes:

The Alternative Proposal references the need for another code modification being raised within 18 months to implement this WACM. The Workgroup question whether this is the correct approach as this would not guarantee implementation. The Workgroup suggested that this could simply be add into the legal text that NESO are required to publish and codify methodologies and guidance documents.

One Workgroup Member raised concerns that this WACM needs to a legal review as they couldn't see how this would work in practice, as it is essentially forcing NESO to do something they have publicly disagreed with.

One Workgroup member suggested that there should be an obligation on NESO to undertake the review within 12 months of the implementation date and a further obligation that within 16 months of the implementation, within 4 months of the review, the review must be reported back or presented to the Panel, so the stakeholders get information on the review. This would enable another party to raise a modification within 18 months.

WACM 7, Rob Smith:

The Workgroup discussed the appropriate timeframe for the pause, WACM suggested between 2 and 4 weeks however the Workgroup disputed this, agreeing that it was too long. The Workgroup suggested a timeframe of 10-15 business days would be more appropriate. This will need further discussion to agree specifics.

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There were concerns about how this WACM would work with Clean Power 2030, one member said although the WACM would potentially be superseded by Clean Power 2030, the Workgroup should deal with what we do know as the impact of Clean Power 2030 is currently unknown.

There was a general consensus that this WACM would fit better with 435.

There was discussion around how this will work in practice with those with contracts i.e. those who have financial elements to their contracts, if they opt to drop out are they still liable? The Alternative Proposer stated that they envisage that there will be no penalty or liabilities for dropping out, however the mechanics of this have not been considered to this extent as of yet.

2. **CM095 Draft Workgroup Report Discussion**

There was discussion surrounding the comments left by Workgroup Members on the Draft Workgroup Report.

Generally, there were a number of comments regarding consistency, clarification and updating wording – these have been noted by NESO and will be updated.

One Workgroup member queried whether it is the intention that the report will also document the proposed STCPs changes although these changes will follow as a separate proposal. The Chair agreed to delete references to the STCP and add a note stating that changes are needed to the STCPs.

Another Workgroup member said that the report needs to respect that TOs are defined broader than just Onshore TOs in STC. NESO agreed to reflect on this to see if this is the case throughout or whether this is a catch all.

The Workgroup raised that a proposed deadline would be appreciated for Embedded applicants. NESO have added a deadline of up to 10 weeks of an Application Window being opened.

The remainder of the comments were generally in respect of layout and clarity.

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

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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 that we will need to follow.		Open
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

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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 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?		TBC	Open
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	Open

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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	Open
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	Open