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CMP434 & CM095 Workgroup 29 Meeting Summary

CM434 & CM095 Workgroup Meeting 29

Date: 14/10/2024 **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
Dovydas Dyson	DD	NESO	SME
Mike Oxenham	MO	NESO	SME
Lee Wilkinson	LW	Ofgem	Authority

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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
Brian Hoy	BH	Electricity North West Limited (ENWL)	Workgroup Member
Ciaran Fitzgerald	CF	Scottish Power Renewables	Workgroup Member
Claire Hynes	CH	RWE Renewables	Workgroup Member
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
Joe Colebrook *	JC	Innova Renewables	Workgroup Member
Kyran Hanks	KH	CUSC Panel member	Workgroup Member
Laura Henry	LH	NGED	Workgroup Member
Luke Scott	LS	Northern Powergrid	Workgroup Member

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Mark Field	MF	Sembcorp Energy (UK) Limited	Workgroup Member
Mohammad Bilal	MB	UK Power Networks	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
Robin Prince	RP	Island Green Power	Workgroup Member
Ross O'Hare	RO	SSEN	Workgroup Member

* Presenter but not full attendee.

Key Areas

The key areas for this meeting are to look at the draft legal text and Terms of Reference for CM095, and to discuss any updates to the WACMs.

Discussion and details

1. TMO4+ Update

A NESO representative gave an update for TMO4+. It was stated that the CP30 webinar would be taking place on the 16th of October.

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2. WACMs

WACM 3 was spoken about, NESO’s Legal SME stated this WACM would not be legally complex. Legal details would be placed in the CNDM, with legal principles codified. The Proposer of this WACM stated this proposal is effectively BAU already, despite not being codified.

WACM 4 was discussed, the Proposer stated that this alternative may change as NESO’s proposal has changed. The Proposer of the WACM does not want NESO to have the ability to publish guidance that would overwrite the code. There was debate on the outcomes of the exemptions on Redline Boundaries that are in the CUSC and Methodologies. NESO agreed to reword the section on Redline Boundaries and show this to the WACM Proposer to see if this resolved the perceived defect.

WACM 1 was explained by its Proposer, there were no questions.

WACM 2 was discussed. Workgroup members debated on the weight that “reasonably endeavours” carries, and what scenarios count as reasonable endeavours. A Legal SME was asked if NESO not having enough staff would be accepted, to which they answered yes if it was due to sickness or an emergency, but if NESO just didn’t hire enough staff, they would be held accountable. A Legal SME was asked if NESO not having enough staff would be accepted under reasonable endeavours, to which they answered yes if it was due to sickness or an emergency, but if NESO just didn’t hire enough staff, they would be held accountable. Workgroup members debated if “reasonable” or “best” endeavours would be the most suitable wording.

WACM 5 was briefly spoken about, all parties understood the intention of this WACM.

WACM 6 was discussed with focus on the legality of obligations in both WACM 6 and CMP434 as a whole. Relevant Workgroup members agreed to discuss this topic outside of the Workgroup and return with a more detailed solution.

WACM 7 settled on 10 working days as a suitable compromise. A legal SME stated there was an obligation on NESO to publish the TEC register. The Proposer of this WACM would like NESO to publish information about the queue. The Proposer stated that the purpose of them raising this WACM was to have it be made clear if an application had been removed from the current batch as soon as it happens, rather than having to wait until the window had closed. NESO’s Legal SME agreed to take some of the points raised away and provide further clarifications for this WACM.

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3. CM095 Legal Text Review

Section D was reviewed and altered. Workgroup members requested that Section D contains more links to the CNDM to provide clarity to stakeholders. Workgroup members debated on whether OFTOs should be consulted to make sure they are not impacted by these changes. Workgroup members disliked having dates that were “not earlier than”, rather than “not later than”, as they felt that NESO should be set more firm dates to have objectives completed. Workgroup members requested that NESO would be as transparent as possible in all circumstances.

NESO’s Legal SME noted that section 13 had been reviewed.

4. CM095 Terms of Reference Review

The Chair shared the current RAG ratings for the CM095 ToR. B and F were to remain red. With respect to ToR D, it was shared that OFGEM’s view was that they would like the Workgroup to flag up potential issues with licence changes to them, rather than OFGEM pre-empt these issues. Workgroup members debated if D could be made amber, as licence conditions had been discussed. D was made amber. G was debated as to whether it should be made amber to mirror its equivalent in CMP434. G was made amber. Workgroup members debated whether having H amber was reasonable as the Workgroup may have placed too much faith in CP30 to fix future problems. A Workgroup member asked for I, J, and K to be made green as they are covered by CMP434, but other Workgroup members pushed back on this.

5. Potential Alternatives

A Workgroup member gave some potential alternatives they were possibly going to raise on NESO Prioritisation, Reserving Bays, Alterations of Land rights criteria based on technology types, and Gate 2 criteria and process. These alternatives were focused on increasing transparency.

A Workgroup member asked the potential Proposer if they meant NESO Designation or NESO Prioritisation, this Workgroup member stated that this alternative could cover both. Workgroup members stated that the gate 2 criteria alternative may introduce perverse financial incentives. Workgroup members asked for justification from NESO as to why the number of Gate 2 windows had been reduced to 2 from 4.

6. Action Log

Actions 49, 56, 60, 77, 78, and 79 were closed. Actions 82 and 83 were created as developments on action 79.

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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.	Methodologies session held 16 September, and there will be a webinar held on 7 October for those who missed the in-person event. Please register here. Further session on methodologies and CP30 scheduled for 16 October and Methodology consultation to take place Nov-Dec. (Exact date TBC.)	TBC	Closed WG29
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		Closed WG29

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dictate the timelines that we will need to follow.

Aim to have rolling update on TMO4+ programme, which can capture both actions 49/56 going forwards.

59	WG19	PM	Element 11 – Produce examples to provide clarification to the Workgroup (slide 25) on how using installed capacity could work in practice	Illustrative examples in Workgroup Report and will add further specifics to the Gate 2 Criteria Methodology (re: requirement to provide an Original Red Line Boundary) and QM guidance (re: ongoing land compliance requirement). Installed Capacity definition to be shared as part of legal text updates – possibly look to close WG30 following CMP434 legal	TBC	Open
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text
discussion.

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.	Any Developer can evidence why they can't meet the forward looking MI (if earlier than the backwards looking MI) this and propose a different MI (noting this cannot be later than the backwards looking MI) and then NESO consider; therefore, difficult to pinpoint which projects could benefit. The plan is to add some commentary on what could be an acceptable exception in the updated QM Guidance.	TBC	Closed WG29
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	A Modification Application to a Gate 2 Agreement (or a Gate 1 Agreement including Reservation)	TBC	Closed WG29

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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?

will be Gated Modification Application where it is determined to be one by The Company in accordance with the Gated Modification Guidance, as per the proposed legal text. Therefore, the answer to the example depends on what is included within the final Gated Modification Guidance, but it is currently expected that a developer request to advance their confirmed connection date will in future ordinarily require a Modification Application. The date for this to be shared with industry remains TBC. As is the case today, alternative

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				forms of contract update are possible e.g. notices, Agreements to Vary, etc.		
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.	Note: Enquiries made on process timescales for updating Statement of Use of System Charges.	TBC	Open
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.	Applicants are intended to have the visibility of (and ultimately the choice to decline) the NESO proposed reservation as part of the detailed application window process. It remains TBC on what will be published and when more broadly, but there is currently nothing in the Proposal or legal text in relation to publication of	TBC	Closed WG29 Replaced with new actions 82 & 83.

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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.	Power/process is / will be via STC changes. Governance process will be developed internally in future (once methodologies are available) in relation to how and when to propose to utilise. Original solution is not proposing to codify any additional obligations for NESO to publish any more data or information than present	TBC	Closed WG29
81	WG29	MO	Provide timelines for milestones within the TOCO process		TBC	New
82	WG29	MO	Explain and then be clear in WG report how the non-project specific reserved capacity would be allocated by the NESO, as well as how who pays what and when both prior to it being allocated, and from the point at which it is allocated.		TBC	New
83	WG29	MO	Clarity whether NESO will amend Proposal to publish i) which projects have Reservation		TBC	New

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contracted and/or ii)
where NESO has
reserved something
non-project specific.

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.