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Code Administrator Meeting

Summary

Workgroup Meeting 1: CMP440 Re-introduction of Demand TNUoS locational signals by removal of the zero price floor

Date:

Contact Details

Chair: Teri Puddefoot, teri.puddefoot@nationalenergyso.com

Proposer: Lauren Jauss, lauren.jauss@rwe.com

Key areas of discussion

The aim of the Workgroup 1 was to discuss the Proposer’s solution and agree the timeline and Terms of reference.

Introduction

The Chair welcomed the Workgroup, confirmed quoracy and gave a brief overview of the modification process.

Proposer Presentation

The Proposer presented their solution to the Workgroup, outlining that the modification has resulted from the TNUoS Taskforce. One Workgroup member queried the involvement of the Taskforce in CUSC modifications; the Proposer noted support from members but advised that not all members had unanimously agreed with the suggested modifications.

The Proposer outlined some analysis outlining that Peak and Year Round type background representation can potentially be improved with changes to the assumed generation mix. One Workgroup member queried the locational signals of this, however the Proposer noted that there was no locational data available. The Workgroup also discussed relating the proposal to constrained hours, with one Workgroup member noting the funds and time that would be required for this. They queried whether the Proposer had asked NESO whether they had considered this in the context of the existing TNUoS/BSUoS work on constraints (Action 1). One workgroup member noted that relating costs to actual constraints would be very complex, and it may incentivise people to not take demand to avoid constraints. On the topic of a combined solution using average demand and unweighted, one Workgroup member noted that Users would need to see analysis on charges and who would be supplying their energy but noted the complexity of this. One Workgroup member queried whether the Taskforce had concluded whether the methodologies should be aligned for Demand and Generation. The Proposer noted

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their personal view that there was value in bringing them in line, so any future changes can have principles applied equally.

The Workgroup discussed Electrolysers, with one Workgroup member noting that it was unclear whether electrolyser Demand will be included in the definition of Final Demand. The NESO representative agreed to confirm this and to look into whether they should also be subject to a locational signal. The Workgroup also queried whether Electrolysers should be liable for levies, however concluded that this was likely to be an Authority/DESNZ policy decision.

The Proposer highlighted the challenge of converting the current £/kW tariff to p/kWh for half hourly customers (required due to levying charges over a wider period of consumption). One Workgroup member had the view that a function of Distribution Charges should be used. Differences between Demand and Generation were also discussed, with one Workgroup member suggesting the possibility of changing the model to make it more aligned with the Generation model rather than feeding it back in to be p/kWh. They suggested that Connection Capacity could be used to calculate ALFs, rather than using TEC. It was also queried whether TNUoS could be changed to allow DNOs to pay for Demand and feed this back to suppliers through the DNO models. One Workgroup member suggested that this could be a possible future Workgroup Alternative Request.

One Workgroup member queried if negative charging was less of an issue for non-half hourly customers. The Proposer noted that the number of non-half hourly customers will reduce with the introduction of Market Wide Half Hourly Settlement. They also advised that the intention of their proposal was to have one p/kWh tariff for all Users in a particular zone. The Workgroup also discussed the split between peak and Year Round charges, noting some circuits will be at max flow during Peak, and some at Year Round (in the high wind scenario). The Proposer noted that Peak and Year Round tariffs represent different circuits across the network. The Workgroup discussed whether Triads should be used for the maximum capacity requirement, with one Workgroup member noting that for Generation, the calculation of negative tariffs uses a site's maximum local peaks, which is different to triad. They queried whether it was better to use this measure for positive half hourly charging rather than triad to make the solution more cost reflective. The Proposer highlighted that the model should attempt to represent peak demand for the whole system and everyone's contribution to it so advised that they thought triad was the right measure to use, noting that Demand triads should be the maximum system capacity at any one particular time.

One Workgroup member noted that they thought the Workgroup should look at the impacts of changes of tariffs on different Users as part of Workgroup. Other Workgroup members requested analysis to determine materiality on customers (Actions 4 and 5).

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Terms of Reference and Timeline

Workgroup members reviewed the Terms of Reference and had no comments. The Workgroup agreed to review the timeline following the next Workgroup. A NESO representative noted the need to be mindful of efficiency given the tight timeline.

Cross Code Impacts

One Workgroup member noted that SQSS principles need to be considered. Another member noted that there may be cross code impacts of potential Alternative solutions if they are raised.

Next Steps

The Chair advised the next steps as follows:

- Workgroup 2 to be used to go through methodologies for analysis and what is expected by the Workgroup.
- LJ/RP to catch up offline to allow analysis profiles to be developed (requires NESO input for averages between 4pm-7pm, to be associated with each TNUoS zone).

Actions

For the full action log, click [here](#).

Action Number Raised	Workgroup	Owner	Action	Due by	Status
1	WG1	RP	Provide a view on TNUoS/BNUoS ongoing work relating to constraints (see slide 22, Workgroup 1), including Risk and mitigation and modelling	WG2	Open
2	WG1	RP	Provide view on Electrolysers including whether they are subject to Final Demand and/or Locational Signals	WG2	Open
3	WG1	LJ	Share scope of work undertaken by Frontier	WG2	Open
4	WG1	LJ	Produce analysis on impact of solution on customers, as per slide 29 (Workgroup 1)	TBC	Open

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5	WG1	LJ/RP	Catch up offline to determine information/party profiles required for analysis	WG2	Open
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Attendees

Name	Initial	Company	Role
Teri Puddefoot	TP	NESO Code Administrator	Chair
Lizzie Timmins	LT	NESO Code Administrator	Technical Secretary
Lauren Jauss	LJ	RWE	Proposer
Alex Savvides	AS	Statkraft	Workgroup member
George Douthwaite	GD	ITP Energised	Observer
Karl Maryon	KM	Drax	Workgroup member
Nina Sharma	NS	Drax	Alternate
Peter Earl	PE	Independent Power Corporation PLC	Alternate
Robert Longden	RL	Cornwall Insight	Workgroup member
Ruby Pelling	RP	NESO	NESO Representative
Uduak Akpanedet	UA	ITP Energised	Observer