

Public

Meeting Summary – Workgroup 3

Meeting name: CMP444 Introducing a cap and floor to wider generation TNUoS charges

Date: 11/12/2024

Contact Details

Chair: Catia Gomes catia.gomes@nationalenergyso.com

Proposer : Niall Coyle niall.coyle@nationalenergyso.com

Key areas of discussion

Objective and Timeline

The Chair outlined the meeting agenda which included a presentation of the Proposers solution, discussing the Alternative Request, reviewing the objectives and timeline.

Proposers Presentation

Niall presented the analysis on adjustment tariffs, including the impact of different scenarios on the tariffs and the importance of considering the 10-year projections.

Adjustment Tariff

There was a discussion on the implications of significant reductions in baseline adjustment tariffs and the need to believe in the 10-year projections for these reductions to materialise. The baseline adjustment tariff credits only become so large because of the significant increases in the wider tariffs in the 10-year projection. If the wider tariffs didn't reach those highs, then the large negative adjustment credits wouldn't materialise.

Circuit in different backgrounds

The Proposer addressed the issue of circuits flipping between peak and year-round backgrounds, stating that it is not necessary to adjust for this occurrence in calculating the cap and floor levels.

Alternative Requests

SSE

The Proposer presented their Alternative Request, proposing a two-step cap and floor approach, stating that the current proposal does not adequately address the defect and that the two-step approach would provide better protection for generators participating in upcoming auctions

The work group discussed whether the SSE alternative request was in scope. The majority of the members agreed that it is in scope and should be considered, allowing for further development and discussion of the proposal.

It was agreed that the Proposer would formally submit their Alternative Request form in readiness for the next Workgroup.

Northland

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The Alternative Request suggesting the use of deciles instead of standard deviations to set the cap and floor levels. The Proposer stated that the current methodology fails to capture the extremes and that deciles would provide a more accurate and appropriate approach.

The Workgroup agreed to review the Northland proposal in more detail, considering the potential benefits and implications of using deciles for setting the cap and floor levels.

It was agreed that the Original Proposer would work with Northland to calculate the impact of the adjustment tariffs on the alternative proposal and present their findings at the next Workgroup.

Next Steps

Alternative Proposers to submit their proposal forms to the Chair next Monday 16 December.

Actions

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

Action Number	Workgroup Raised	Owner	Action	Due by	Status
3	Consider the impact of circuits flipping between the peak and year-round backgrounds	Proposer	04/12/2024	11/12/2024	Open
4	What major infrastructure assets are included in the 5-year forecast	Proposer	04/12/2024	09/01/2025	Open
5	Explain the degree of alignment with CP30 that is included into the forecast	Proposer	04/12/2024	09/01/2025	Open
6	Consider additional modelling	Proposer	11/12/2024	09/01/2025	Open

Attendees

Name	Initial	Company	Role
Catia Gomes	CG	NESO Code Governance	Chair
Deborah Spencer	DS	NESO Code Governance	Tech Sec
Niall Coyle	NC	NESO	Proposer
Paul Mott	PM	NESO	Proposer Alternate
Will Maidment	WM	Nadara	Workgroup Member
Barney Cowin	BC	Bluefloat Energy	Workgroup Member

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Ryan Ward	RW	Scottish power Renewables	Workgroup Member
Graham Pannell	GP	BayWa r.e.	Workgroup Member
Ben Adamson	BA	Low Carbon	Workgroup Member
Caitlin Butchart	CB	InterGen	Workgroup Member
Alan Kelly	AK	Corio Generation	Workgroup Member
Dan Gilbert	DG	Corio Generation	Workgroup Member
Anthony Diccico	AD	ESB	Workgroup Member
James Knight	JK	Centrica	Workgroup Member
Paul Youngman	PY	Drax	Workgroup Member
Lauren Jauss	LJ	RWE Supply & Trading GmbH	Workgroup Member
Damien Clough	DC	SSE	Workgroup Member
Binoy Dhari	BD	EDF	Workgroup Member
Kyran Hanks	KH	Water Wye Associates	Workgroup Member
Nina Brundage	NB	Ocean Winds	Workgroup Member
Paul Jones	PJ	Uniper	Workgroup Member
Chris White	CW	Research Relay Ltd (Nominated by European Marine Energy Centre (EMAC))	Workgroup Alternate
Chiamaka Nwajagu	CN	Orsted	Workgroup Member
Dennis Gowland	DG	Research Relay Ltd (Nominated by European Marine Energy Centre (EMEC))	Workgroup Member
Emanuele Dentis	ED	Northland Power	Workgroup Member
Simon Lord	SL	Engie	Workgroup Member
Darshak Shah	DS	BP	Workgroup Member
Sven Kunze	SK	Orsted	Alternate
Aaron Priest	AP	Ocean Winds	Alternate
David Jones	DJ	Ofgem	Authority Representative
Varun Mittal	VM	TotalEnergies	Observer
Huw Morrey	HM	Savills	Observer