

Public

Code Administrator Meeting

Summary

Workgroup Meeting 2: CMP440 Re-Introduction of Demand TNUoS locational Signals by removal of the zero-price floor

Date: 23 January 2025

Contact Details

Chair: Jess Rivalland, Jessica.Rivalland@uk.nationalenergyso.com

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

Key areas of discussion

The aim of Workgroup 2 was to provide an update on the actions, particularly concerning the scope of electrolysers and tariff processes. As well as for the Proposer to provide an update on different Party Profiles.

Introduction

The Chair welcomed the Workgroup, confirmed quoracy and gave a brief overview of the objectives for the meeting.

The Chair reminded the workgroup of the responsibilities and presented the current timelines for discussion for the modification.

Proposer's Update

The Proposer gave an update on the locational demand data given to date and presented a spreadsheet of data for zonal demand. This demonstrated the conversion from pounds per kilowatt to pence per kilowatt hour tariffs. The discussion highlighted the need for customer profile assumptions to accurately perform this conversion. There was a suggestion to use example profiles from NESO or default Elexon profiles to aid this process. The conversation also touched on the complexity of modelling different customer types and the potential impact on tariffs with a suggestion of exploring bespoke calculations. The discussion included understanding how demand forecasts are calculated, particularly focusing on the ratios used to determine NHH and HH demands.

The Workgroup considered the data requirements and suggested that refining the modification solution would benefit from:

- Non-Half Hourly (NHH) zonal demand all year round (tWh),
- Half Hourly (HH) zonal demand between the hours of 4-9pm, and

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- HH zonal demand all year round (tWh).

The Revenue team do not forecast for any of these items and use the following data for tariff setting:

- Triad HH demand
- NHH 4-7pm demand all year round

A Workgroup member suggested that the assumptions used with the gross NHH Triad demand into NHH all year round would give a slightly different assumption for this modification. Feedback suggested that the calculation is not based on one number from the other. It was noted that the Revenue team uses a 'Monte Carlo' forecasting model with historical data to calculate these forecasts, which uses three years of actual data and adjusts this to seasonal norm forecasting, creating a forecast figure. The group agreed on the importance of understanding the assumptions behind these forecasts to ensure consistency in the proposed changes and the need to understand the methodology used to convert between gross NHH Triad peak demand and NHH demand used in the modelling, and for HH demand.

The Revenue team would be able to provide actual NHH for 4-7pm and NHH for all periods for the Workgroup, which could give a proportion that assumes the relationship between each piece of data and provide a useful forecast to be used.

The legal text for CUSC 14.16.2 was raised as a section that could require updating to accommodate new tariff structures. In addition to the potential impact of legal changes on tariff application and customer profiles.

AOB

The Next Workgroup is scheduled for 27 February 2025.

Next Steps

Review of the legal text for section 14.16.2 and discuss at the next meeting.

Review the data supplied by the Revenue team and discuss at the next meeting.

Actions

Action Number Raised	Workgroup	Owner	Action	Due by	Status
1	1	RP	Provide a view on TNUoS/BNUoS ongoing work relating to	WG 3	Open

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			constraints. Including Risk and mitigation and modelling		
2	1	RP	Provide view on Electrolysers – Is this within final demand? Subject to locational signals?	WG3	Open
3	1	LJ	Share Frontier slides with WG	W2	Closed
4	1	LJ	Provide workgroup numbers as per slide 29	WG3	Ongoing
5	1	LP/RP	Look at party profiles ahead of next WG	WG3	Closed
6	2	RP	Provide data for actual NHH data for period 4-7pm, NHH for all year round, and HH all year round for each GSP Group.	WG3	Open
7	2	LP/RP	Review legal text for CUSC 14.16.2	WG3	Open

Attendees

Name	Initial	Company	Role
Jess Rivalland	JR	NESO	Chair
Karen Stanton-Hughes	KSH	NESO	Tech Secretary
Lauren Jauss	LJ	RWE	Proposer
Martin Cahill	MC	NESO	NESO Representative
Rob Longden	RL	Cornwall Insight	Workgroup Member
Karl Maryon	KM	Drax	Workgroup Member
Paul Mott	PM	NESO	NESO Representative
Louis Sandiford	LS	Ofgem	Authority Representative
Alex Savvides	AS	Statkraft	Workgroup Member
David Tooby	DT	Ofgem	Authority Member
Simon Vicary	SV	EDF Energy	Workgroup Member

APOLOGIES

Name	Initial	Company	Role
George Douthwaite	GD	ITP Energised	Observer
Ruby Pelling	RP	NESO	Workgroup Member