

Public

CMP444

Workgroup Meeting 8
(06 February 2025)

Online Meeting via Teams

WELCOME

Agenda

Topics to be discussed	Lead
Action Update	Chair/Proposer
Alternative Requests Analysis	Proposer
CMP444 Defect and Scope Clarification	Proposer
Alternative Request 12,13 and 14 Discussion	All
Alternative Request Vote	All
Any Other Business	All

Timeline for CMP444 as at 11 November 2024

Pre-Workgroup		
Proposal raised	21/10/2024	
Proposal submitted to Panel	25/10/2024	
Workgroup Nominations	25/10/2024 - 06/11/2024	
Urgency Decision	31/10/2024	
Workgroups		
Workgroup 1	11/11/2024	Objectives and Timeline/Review and Agree Terms of Reference / Proposer presentation
Workgroup 2	04/12/2024	Solution Development / Workgroup Discussions
Workgroup 3	11/12/2024	Solution Development / Workgroup Discussions
Workgroup 4	09/01/2025	Solution Development / Alternative Request Voting
Workgroup 5	16/01/2025	Draft Workgroup Consultation Review / Specific Questions / Draft Legal Text Review
Workgroup 6	21/01/2025	Final Workgroup Consultation Review
Workgroup Consultation	23/01/2025 – 29/01/2025	
Workgroup 7	04/02/2025	Review of Workgroup Consultation Responses / Alternative Requests Discussion
Workgroup 8	06/02/2025	Review Solution Position /Alternative Requests Presentations and Vote (if required)
Workgroup 9	12/02/2025	ToR Discussion/ Draft Legal text and WACMs Legal text (if required) review
Workgroup 10	17/02/2025	Draft Workgroup Report review / Draft Legal text Review (WACMs legal text)
Workgroup 11	20/02/2025	Final Workgroup Report Review / ToR Sign-off / Final Legal Text Review (WACMS legal text)
Workgroup 12	25/02/2025	Finalising any outstanding points on legal text and WG Report – Workgroup Vote

Timeline for CMP444 as at 11 November 2025

Post Workgroups		Key info
Workgroup Report submitted to Panel	03/03/2025	
Panel to agree whether ToR have been met	07/03/2025	Special Panel invites to be shared
Code Administrator Consultation	10/03/2025 – 14/03/2025	
Code Administrator Consultation Analysis and DFMR generation	17/03/2025 – 21/03/2025	
Draft Final Modification Report to Panel	24/03/2025	
Panel Recommendation Vote	28/03/2025	
Final Modification to Ofgem	28/03/2025	
Decision Date	01/07/2025	
Implementation Date	01/04/2026	

Public
Expectations of a Workgroup Member

Contribute to the discussion

Be respectful of each other's opinions

Language and Conduct to be consistent with the values of equality and diversity

Do not share commercially sensitive information

Be prepared - Review Papers and Reports ahead of meetings

Complete actions in a timely manner

Keep to agreed scope

Email communications to/cc'ing the .box email

Your Roles

Help refine/develop the solution(s)

Bring forward alternatives as early as possible

Vote on whether or not to proceed with requests for Alternatives

Vote on whether the solution(s) better facilitate the Code Objectives

Workgroup Membership

Role	Name	Company	Alternate	Name
Chair	Catia Gomes	NESO Code Administrator		
Tech Sec	Deborah Spencer	NESO		
Proposer	Niall Coyle	NESO	Alternate	Paul Mott
Workgroup member	Will Maidment	Nadara (nominated by Farr Windfarm Ltd)	Alternate	
Workgroup member	Barney Cowin	Bluefloat Energy	Alternate	Mark Canterbury
Workgroup member	Ryan Ward	ScottishPower Renewables	Alternate	Joe Dunn
Workgroup member	Graham Pannell	BayWa r.e.	Alternate	James Brown
Workgroup member	Ben Adamson	Low Carbon	Alternate	Ed Birkett
Workgroup member	Caitlin Butchart	InterGen	Alternate	Robin Dunne
Workgroup member	Alan Kelly	Corio Generation	Alternate	Dan Gilbert
Workgroup member	Anthony Dicicco	ESB	Alternate	Dayna Rodger
Workgroup member	James Knight	Centrica	Alternate	Gregory Edwards
Workgroup member	Paul Youngman	Drax	Alternate	Joshua Logan
Workgroup member	Lauren Jauss	RWE Supply & Trading GmbH	Alternate	Tom Steward
Workgroup member	Joe Colebrook	Innova Renewables	Alternate	
Workgroup member	Kyran Hanks	Waters Wye Associates (Nominated by Saltend Cogeneration Company Ltd)	Alternate	Graz Macdonald
Workgroup member	Damian Clough	SSE	Alternate	John Tindal
Workgroup member	Lambert Kleinjans	Energiekontor UK Ltd	Alternate	Cameron Gall
Workgroup member	Binoy Dharsi	EDF	Alternate	Simon Vicary
Workgroup member	Paul Jones	Uniper	Alternate	Sean Gauton
Workgroup member	Dennis Gowland	Research Relay Ltd (Nominated by European Marine Energy Centre (EMEC))	Alternate	Chris White
Workgroup member	Nina Brundage	Ocean Winds	Alternate	Aaron Priest
Workgroup member	Emanuele Dentis	Northland Power	Alternate	Als Scrope
Workgroup member	Darshak Shah	BP (nominated by BP Alternative Energy)	Alternate	Joao Varejao
Workgroup member	Simon Lord	Engie	Alternate	Andrew Rimmer
Workgroup member	Tom Palmer	Zenobe	Alternate	Archie Campbell
Workgroup member	Chiamaka Nwajagu	Orsted	Alternate	James Jackson

Action Update

Chair Catia Gomes/ Proposer Niall Coyle - NESO

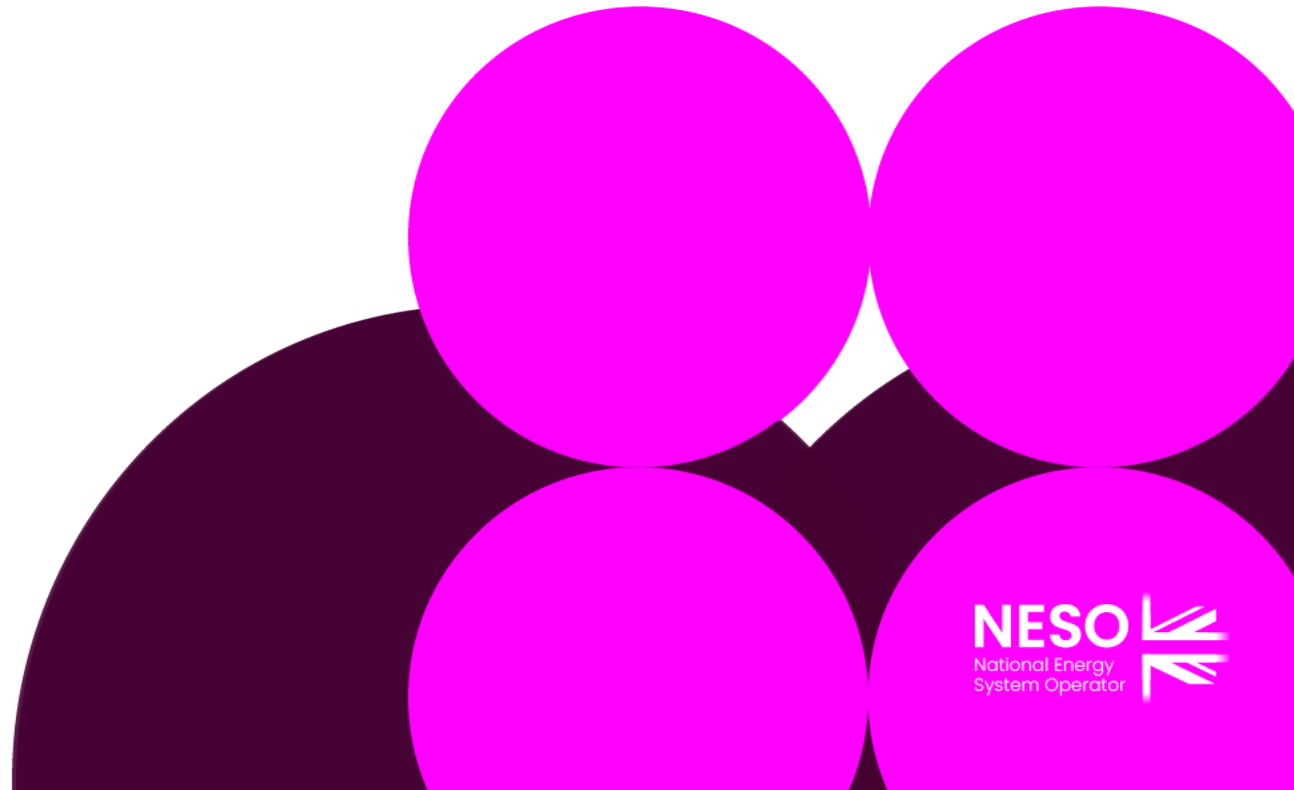


Action Updates – CMP444

Action	Description	Owner	Status
4	What major infrastructure assets are included in the 5-year forecast	Proposer	Open
5	Explain the degree of alignment with CP30 that is included into the forecast	Proposer	Open
6	Consider additional modelling	Proposer	Open
9	Create a diagrammatic explanation of the methodology for the potential alternative solution.	Proposer	Open
11	Liaise with Authority and Chair of CMP432 to clarify expectations and alignment with CMP444	Chair	Open
12	Provide the initial CAP and floor values for each component to Niall for analysis.	Proposer	Open
13	Provide clarity on defect and scope of CMP444	Proposer	Open

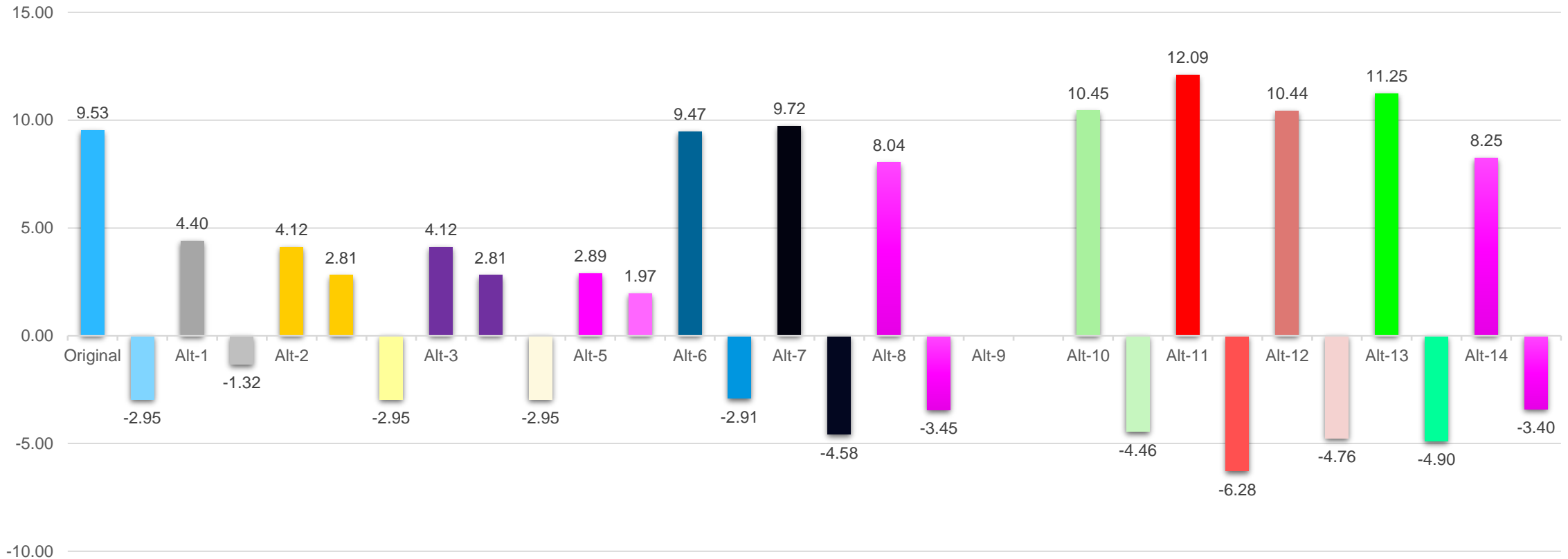
Alternative Requests Analysis

Niall Coyle - NESO



Peak Security Cap Levels

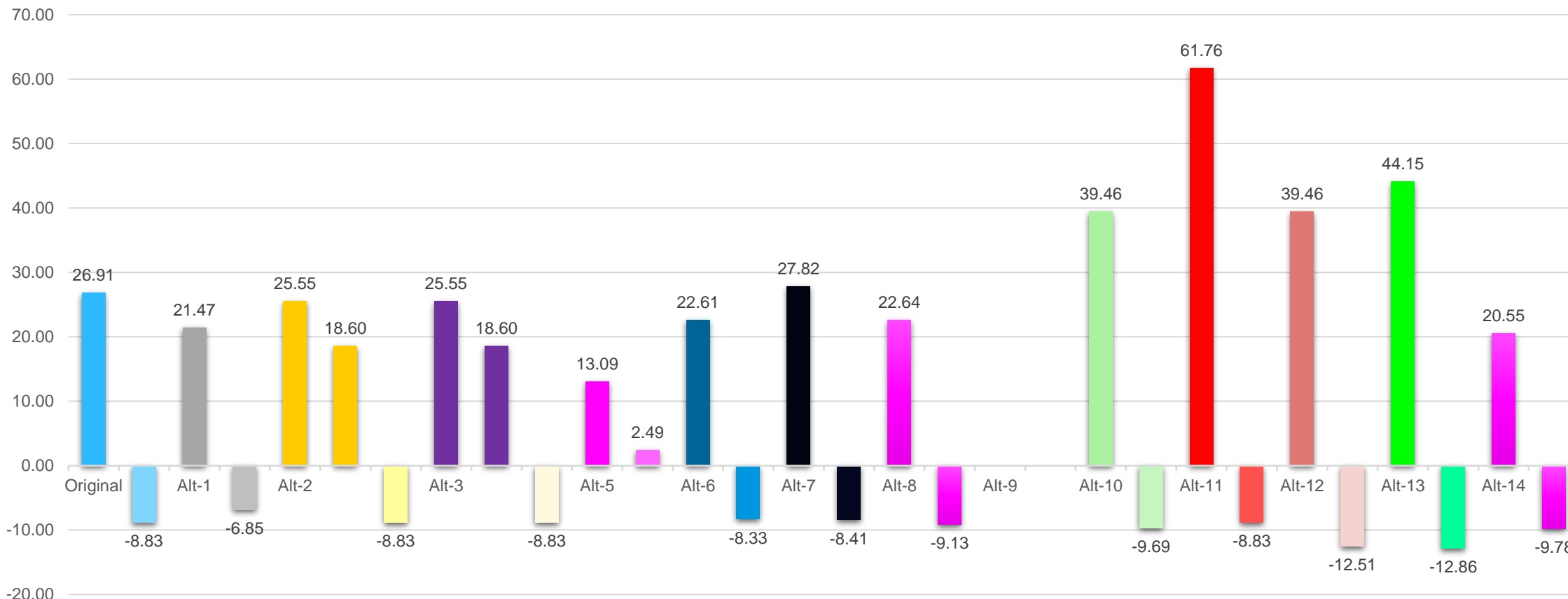
Initial PS Cap and floors (£/kW)



- Alternative Request 9 missing as the proposal doesn't include a cap and floor
- Alternative Request 10 and 11 do not increase in line with inflation
- Alternative Request 12 and 13 are only applicable from 29/30 and 30/31 charging year respectively, and increase by a fixed £/kW value each year (up to 33/34, when it then ceases to apply from 34/35)

Year Round Shared Cap Levels

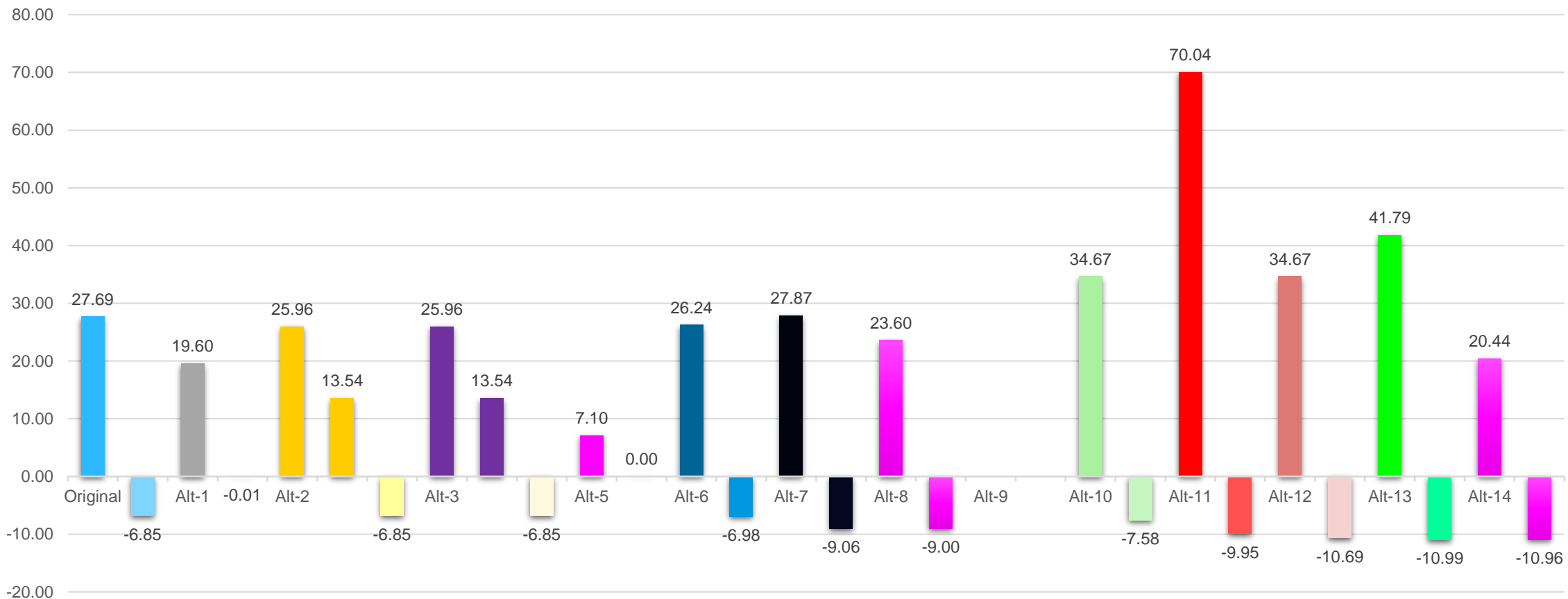
Initial YRS Cap and floors (£/kW)



- Alternative Request 9 missing as the proposal doesn't include a cap and floor
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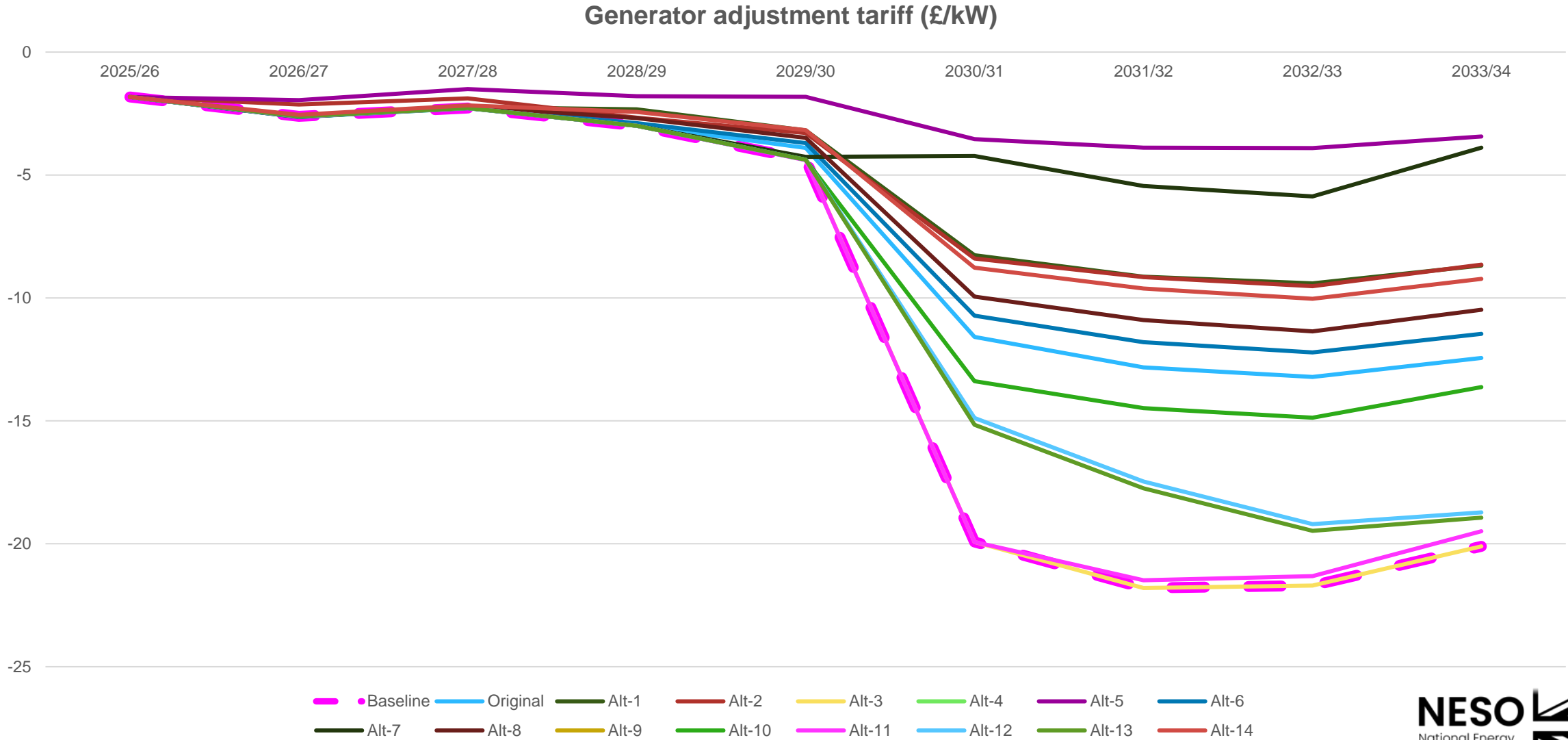
Year Round Not Shared Cap Levels

Initial YRNS Cap and floors (£/kW)



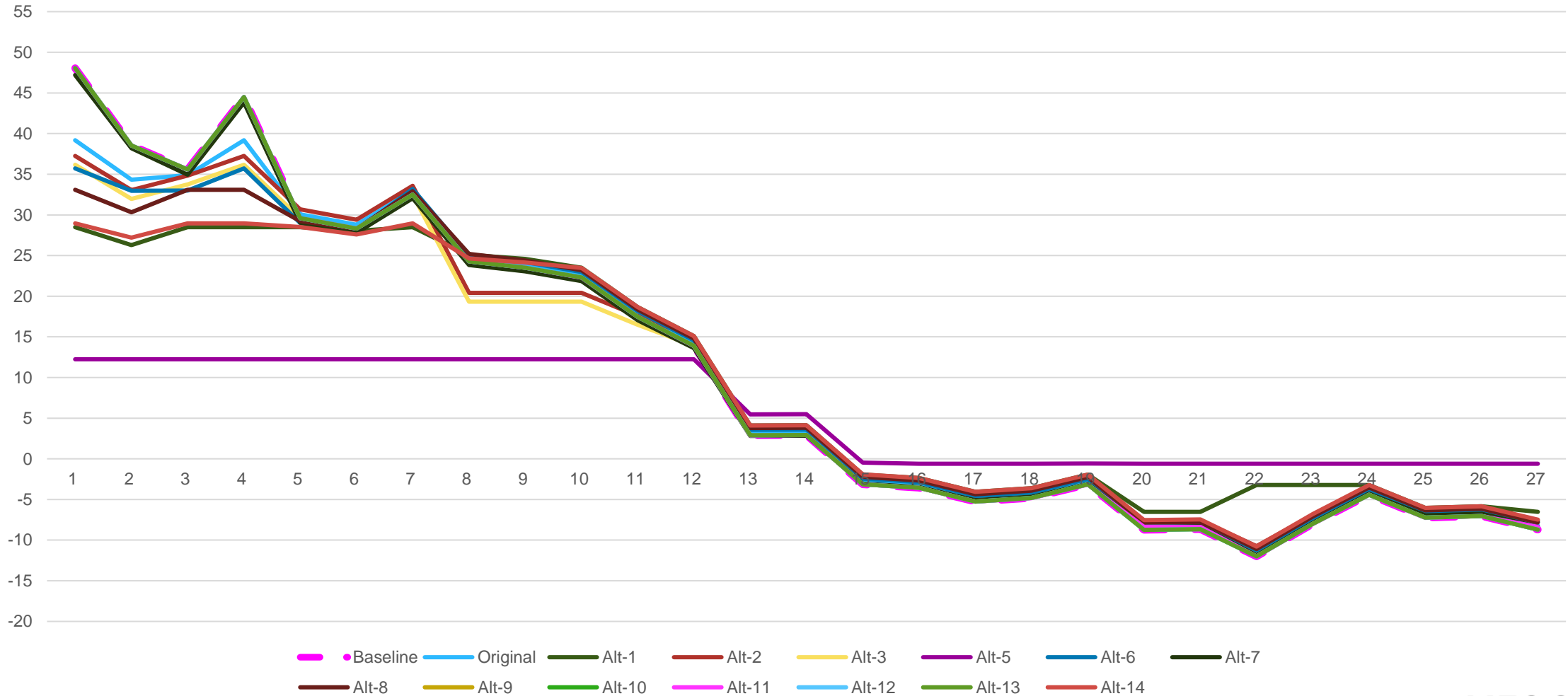
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Generator adjustment tariff



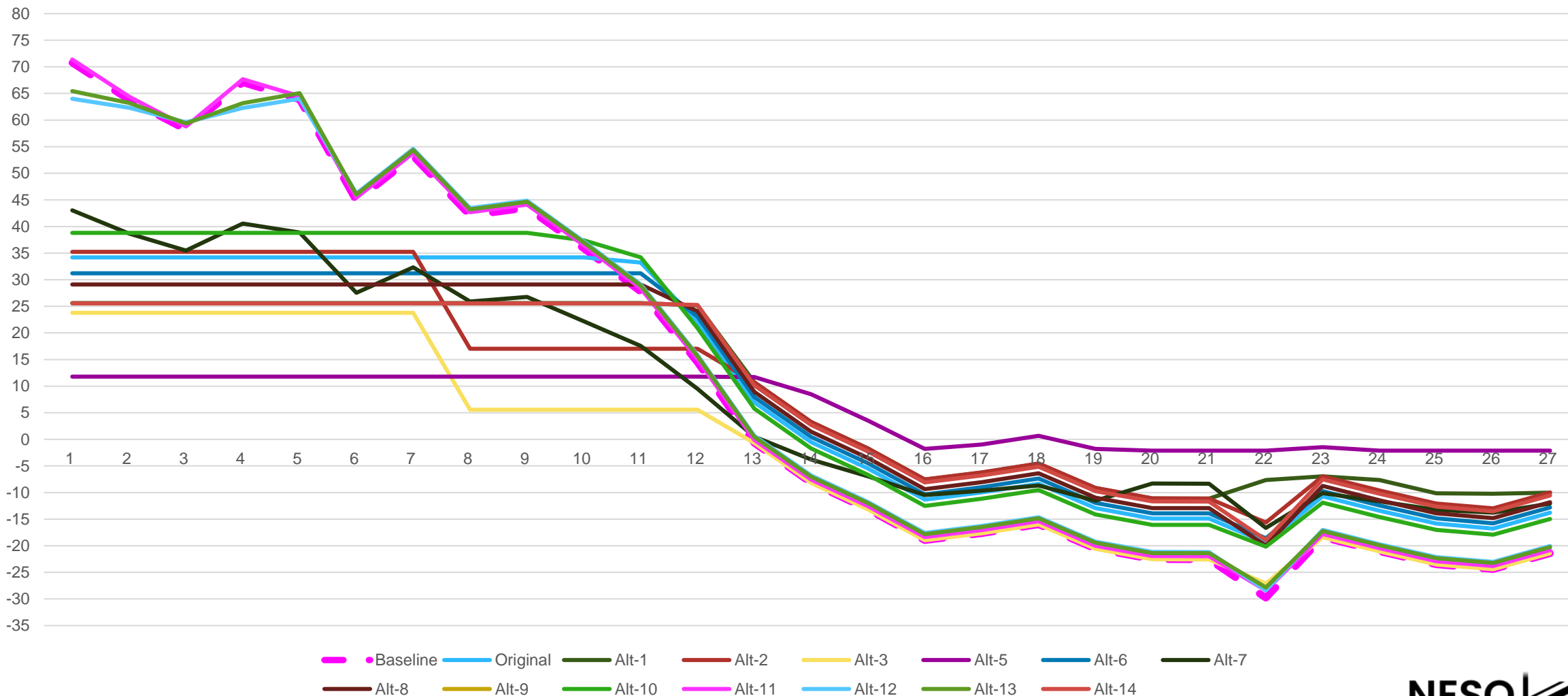
2029/30 Example Tariffs

Example Tariff (incl gen adj tariff), Intermittent Generator, 45% ALF, 2029/30



2033/34 Example Tariffs

Example Tariff (incl gen adj tariff), Intermittent Generator, 45% ALF, 2033/34



CMP444 Defect and Scope Clarification

Niall Coyle - NESO

Modification Scope

- The stated Defect of the modification is that projected increases to TNUoS risks deterring investment in generation. In our view this is a risk to competition - ACO (a)

“The 10-year projection of TNUoS charges published by the NESO in 2023 projected significant increases to charges for generators, particularly in the north of GB, over the next decade. These escalating costs for generation in the north of GB risks driving up consumer costs via increased CfD (Contracts for Difference) bids that incorporate a larger risk premium than would otherwise be necessary, or deterring investment in new generation.”

- We also stated our intention to limit the scope of the mod to the parameters in Ofgem's open letter:

“...the intended scope of this modification is limited to the parameters stated above in Ofgem’s open letter, by only considering options for a single GB cap/floor to each element of the wider generation TNUoS charge, within NESO’s existing forecasting approach/timetable. Broader, more fundamental, reforms to the TNUoS charging methodology, zonal cap options or fixing of parties TNUoS charges are out of scope.”

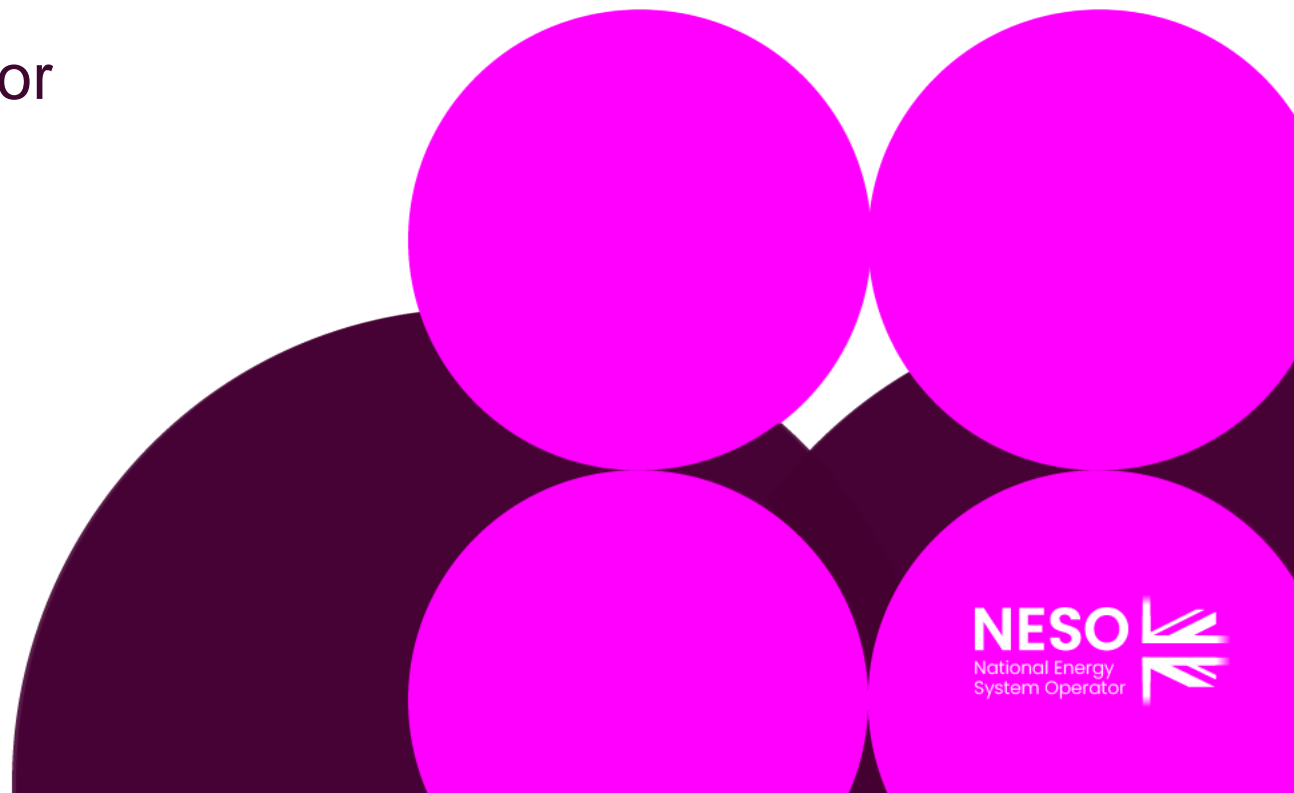
- This is to keep the cap/floor methodology agnostic of the number/location of zones, and to avoid the need for additional mods to change the cap/floor application should the number of zones change at a later date.
- This is also to keep the modification implementable by April 2026 – broader fundamental reforms to the underlying locational signals may require significantly more time to robustly develop, which is not available in the urgent timeline approved by the authority.

Alternative Request 12,13 and 14 Discussion

All

Alternative Request Vote

Catia Gomes – NESO Code Administrator



Can I vote? And What is the Alternative Vote?

To participate in any votes, Workgroup members need to have attended at least 50% of meetings. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference)

Stage 1 – Alternative Vote

- Vote on whether Workgroup Alternative Requests should become Workgroup Alternative CUSC Modifications.
- The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.
- **Should the majority of the Workgroup OR the Chair believe that the potential alternative solution may better facilitate the CUSC objectives than the Original then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.**

Alternate Requests cannot be raised after the Stage 2 – Workgroup Vote

Can I vote? What is the Workgroup Vote?

To participate in any votes, Workgroup members need to have attended at least 50% of meetings. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference)

Stage 2 – Workgroup Vote

- 2a) Assess the original and Workgroup Alternative (if there are any) against the relevant Applicable Objectives compared to the baseline (the current code)
- 2b) Vote on which of the options is best.

Any Other Business

Catia Gomes – NESO Code Administrator

