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Meeting Summary – Workgroup 8

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

Date: 06/02/2025

Contact Details

Chair: Catia Gomes <u>catia.gomes@nationalenergyso.com</u>

Proposer: Niall Coyle <u>niall.coyle@nationalenergyso.com</u>

Key areas of discussion

Action Update

Actions 11,12 and 13 were closed.

Alternative Requests Analysis

The Proposer presented analysis comparing alternative requests, highlighting differences in treatment of inflation and other aspects.

CMP444 Defect and Scope Clarification

Several Workgroup members raised concerns about the interpretation of the scope, particularly regarding the use and relevance of the 10-year projection and sought clarity on whether the focus should be on competition or consumer costs.

The Chair clarified that the defect is addressing the projected increase in TNUoS charges and its impact on competition, which risks deterring investment in new generation and driving up consumer costs. The Chair also clarified that the scope is based on the <u>CMP444 Proposal Form</u>, not <u>The Authority open letter</u>.

Alternative Request 12,13 and 14 Discussion

LJ presented Alternative Requests 12 and 13 explaining that they propose a cap and floor based on the 2024 and 2025 five-year forecasts, respectively. The cap is set at the highest tariff of all zones in all years, and the floor is set accordingly.

MS presented Alternative Request 14, proposing a cap based on the current year's tariffs rather than projected future tariffs. The rationale is to use actual data to reduce uncertainty.

Alternative Request Vote

The Chair led the Workgroup through the Alternative request vote and conducted the vote.

Alternative Request 1 will be WACM 1, Alternative Request 6 will become WACM 2 and Alternative Request 14 will become WACM 3.

Alternative Requests 2 and 8 will be reviewed by the Chair and may yet become WACM's 4 and 5.

Alternative Requests 3,4,5,7,9,10,11,12,13 were not voted in as WACM's by the Workgroup.





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Actions

For the full action log, click <u>here</u>.

Action Number	Workgroup Raised	Owner	Action	Due by	Status
4	What major infrastructure assets are included in the 5-year forecast	Proposer	04/12/2024	12/02/2025	Open
5	Explain the degree of alignment with CP30 that is included into the forecast	Proposer	04/12/2024	12/02/2025	Open
6	Consider additional modelling	Proposer	11/12/2024	12/02/2025	Open
9	Create a diagrammatic explanation of the methodology for the potential alternative solution.	Proposer	16/01/2025	12/02/2025	Open
11	Liaise with Authority and Chair of CMP432 to clarify expectations and alignment with CMP444	Chair	04/02/2025	06/02/2025	Closed
12	Provide the initial CAP and floor values for each component to Niall for analysis.	Proposer	04/02/2025	06/02/2025	Closed
13	Provide clarity on defect and scope of CMP444	Proposer	04/02/2025	06/02/2025	Closed

Attendees

Name	Initial	Company	Role
Catia Gomes	CG	NESO Code Governance	Chair
Andrew Hemus	DS	NESO Code Governance	Tech Sec
Niall Coyle	NC	NESO	Proposer
William Maidment	WM	Nadara	Workgroup Member
Barney Cowin	ВС	Bluefloat Energy	Workgroup Member
Ryan Ward	RW	Scottish power Renewables	Workgroup Member
Hector Perez	HP	Scottish power Renewables	Workgroup Alternate



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Graham Pannell	GP	BayWa r.e.	Workgroup Member
James Brown	JB	BayWa r.e.	Workgroup Member
Ben Adamson	ВА	Low Carbon	Workgroup Member
Caitlin Butchart	СВ	InterGen	Workgroup Member
Alan Kelly	AK	Corio Generation	Workgroup Member
Marc Smeed	MS	Corio Generation	Workgroup Alternate
Anthony Dicicco	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
Kyran Hanks	KH	Water Wye Associates	Workgroup Member
Damien Clough	DC	SSE	Workgroup Member
Lambert Kleinjans	LK	Energiekontor UK Ltd	Workgroup Member
Cameron Gall	CG	Energiekontor UK Ltd	Workgroup Alternate
Binoy Dhari	BD	EDF	Workgroup Member
Paul Jones	PJ	Uniper	Workgroup Member
Dennis Gowland	DG	Research Relay Ltd (Nominated by European Marine Energy Centre (EMAC)	Workgroup Member
Emanuele Dentis	ED	Northland Power	Workgroup Member
Als Scrope	AS	Northland Power	Workgroup Alternate
Nina Brundage	NB	Ocean Winds	Workgroup Member
Aaron Priest	AP	Ocean Winds	Workgroup Alternate
Darshak Shah	DS	BP	Workgroup Member
Joao Varejao	JV	BP	Workgroup Alternate
Chiamaka Nwajagu	CN	Orsted	Workgroup Member
Simon Lord	SL	Engie	Workgroup Member
Pedro Acain	PA	Ofgem	Authority Representative
Ghulam Haider	GH	Ofgem	Authority Representative
Varun Mittal	VM	TotalEnergies	Observer
Dan Hickman	DH	NESO	Observer
Martina Tully	MT	ERG UK Holding	Observer
Thibaut Cheret	TC	OEUK	Observer





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Gabriel Cann GC Windward Observer

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