

Public

## Meeting Summary – Workgroup 6

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

**Date:** 21/01/2025

### Contact Details

**Chair:** Catia Gomes [catia.gomes@nationalenergyiso.com](mailto:catia.gomes@nationalenergyiso.com)

**Proposer :** Niall Coyle [niall.coyle@nationalenergyiso.com](mailto:niall.coyle@nationalenergyiso.com)

## Key areas of discussion

### Workgroup Responsibilities and Timeline

The Chair outlined the meeting agenda, highlighting the need for members to attend at least 50% of Workgroups to be eligible to vote.

Actions 7, 8 and 10 were closed as completed.

### Legal text Review

The Proposer corrected the clause numbering in the legal text, addressing a previous mistake where the section was incorrectly numbered.

The word constrained was replaced with "restricted" in the legal text, following suggestions from the Workgroup.

A member questioned the derivation of values in the table, specifically the CAP and floor values. The Proposer suggested adding a reference to CMP444 to clarify the source of these values and will discuss this with NESO legal team and the Authority to ensure this is a satisfactory solution.

### 14.15.142

Some members questioned the wording in this section and the Proposer agreed to enhance the wording to give further clarity.

### Draft Workgroup Consultation Review

The Chair outlined the steps for finalising the Workgroup Consultation document, emphasising the need for a comprehensive document that clearly communicates the Workgroup's activities and proposals to the industry. It was also noted that two new alternative requests had been submitted and the necessary checks had been completed, however, they would not be discussed during the Workgroup or be added to the Workgroup Consultation. Both alternatives will be discussed at a later Workgroup.

The Workgroup discussed the potential impact of the CAP and floor on consumers, including the risk of higher bids in CFD and CM auctions. Members suggested clarifying the impact on reducing uncertainty.

Cap and Floor duration was discussed, some members suggested a five-year review period and the need for further discussion on grandfathering rights and investment security. Some members felt that grandfathering rights were needed to provide investment security for projects initiated under the cap and floor. This topic was identified as requiring further exploration.

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Concerns were raised about the impact of the cap and floor on investment security. The group agreed that further discussions were needed to address these concerns and provide clarity to investors.

The appropriate level of cap and floor was discussed during the Workgroup with differing views on whether it should be higher or lower based on the five-year forecast and the 10-year projection. The importance of maintaining the locational signal and its impact on investment decisions was also mentioned.

During a discussion on cost reflectivity of the proposed cap and floor, some members questioned the validity of the current methodology.

Interactions with CMP432 were highlighted and the need to consider its impacts on CMP444.

During discussions on the alternative proposals, proposers gave updates and clarifications on their respective proposals.

Updates to the graphs were requested by members to make them clearer for the reader. The Proposer confirmed the graphs would be amended before the Workgroup Consultation was issued to industry.

The Workgroup discussed and agreed on the specific questions to be added to the consultation.

## Next Steps

- The Chair to update the Workgroup Consultation and share with members today.
- Workgroup members to review the document and share minor amendments by 11am 22 January.
- Consultation to be issued to industry 23 – 29 January.

## 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

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9	Create a diagrammatic explanation of the methodology for the potential alternative solution.	Proposer	16/01/2025	16/01/2025	Open
11	Proposer to Include a note about the urgency granted to CMP432 and its recommended alignment with CMP444 in the interaction section.	Proposer	21/01/2025	21/01/2025	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
Barney Cowin	BC	Bluefloat Energy	Workgroup Member
Ryan Ward	RW	Scottish power Renewables	Workgroup Member
Hector Perez	HP	Scottish power Renewables	Workgroup Alternate
Graham Pannell	GP	BayWa r.e.	Workgroup Member
Caitlin Butchart	CB	InterGen	Workgroup Member
William Maidment	WM	Nadara	Workgroup Member
Alan Kelly	AK	Corio Generation	Workgroup Member
Ben Adamson	BA	Low Carbon	Workgroup Member
Marc Smeed	MS	Corio Generation	Workgroup Alternate
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
Graz McDonald	GD	Water Wye Associates	Workgroup Alternate
Nina Brundage	NB	Ocean Winds	Workgroup Member

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Sean Gauton	PJ	Uniper	Workgroup Alternate
Chris White	CW	Research Relay Ltd (Nominated by European Marine Energy Centre (EMAC))	Workgroup Alternate
Chiamaka Nwajagu	CN	Orsted	Workgroup Member
Emanuele Dentis	ED	Northland Power	Workgroup Member
Simon Lord	SL	Engie	Workgroup Member
Darshak Shah	DS	BP	Workgroup Member
Aaron Priest	AP	Ocean Winds	Alternate
Dennis Gowland	DG	Research Relay Ltd (Nominated by European Marine Energy Centre (EMAC))	Workgroup Member
David Jones	DJ	Ofgem	Authority Representative
Pedro Acain	PA	Ofgem	Authority Representative
Varun Mittal	VM	TotalEnergies	Observer
Dan Hickman	DH	NESO	Observer
Matthew Larreta	ML	NESO	Observer