

Public

# CMP444

Workgroup Meeting 11

Thursday 20 February 2025

Online Meeting via Teams

# WELCOME

<b>Topics to be discussed</b>	<b>Lead</b>
Action Update	Chair/Proposer
WACM5 Worked Example	Proposer
CP30 Alignment	Proposer
Agree Legal text – All WACMs and Original	All
Analysis – Range	Chris White
Workgroup Report Review	All
Terms of Reference Review	All
AOB	Chair

## 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	
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

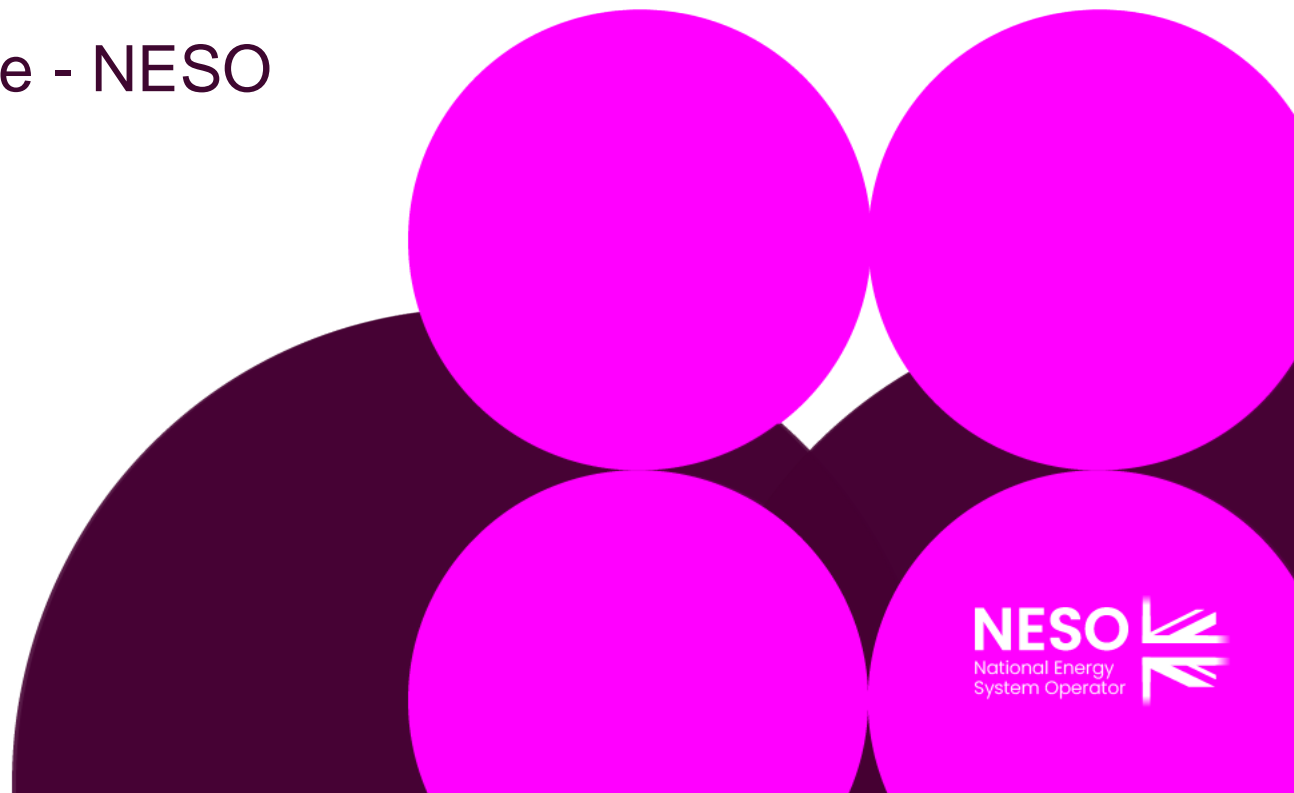
Vote on whether the solution(s) better facilitate the Code Objectives

# 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

Deborah Spencer/ Proposer Niall Coyle - NESO



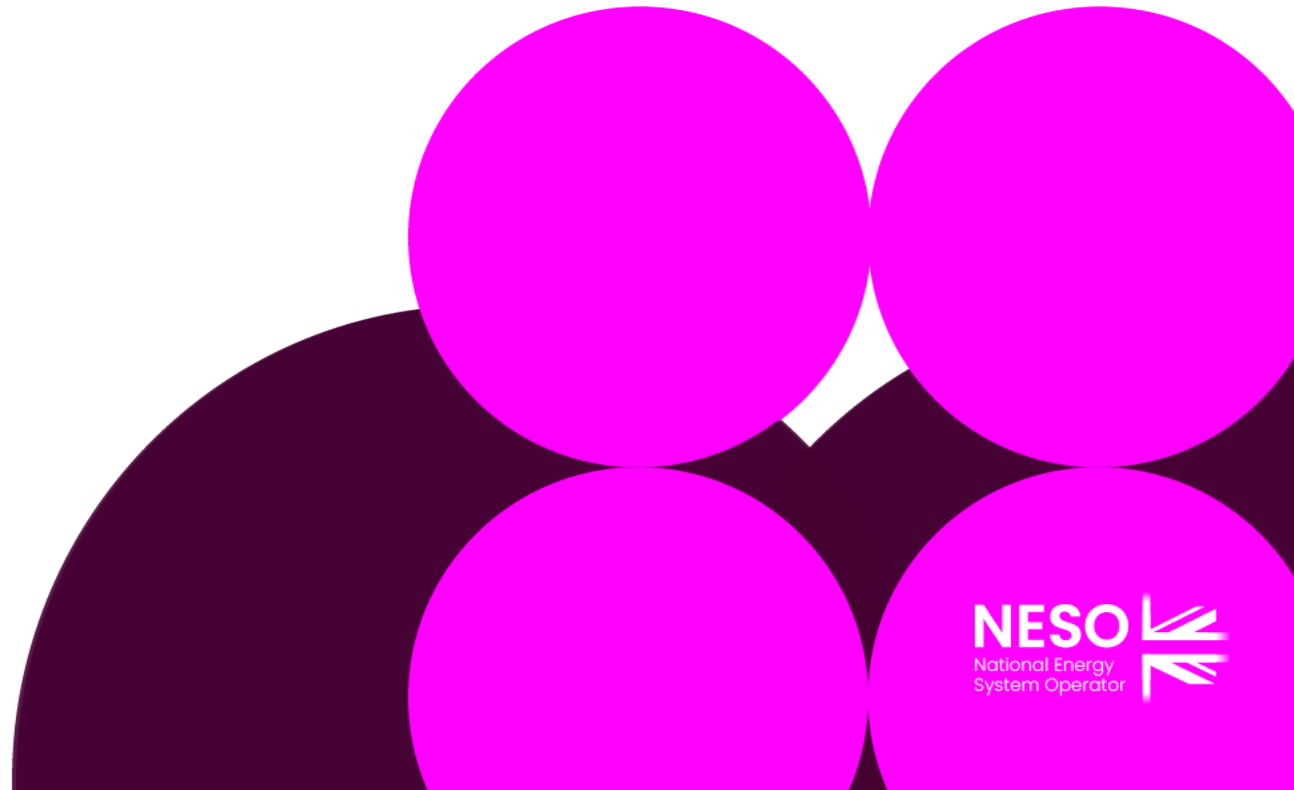


## Action Updates – CMP444

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
9	Create a diagrammatic explanation of the methodology for the potential alternative solution.	Proposer	Open
15	Adjust the graph to show the data in absolute values instead of percentages, and in pounds per kilowatt.	Chris White	Open

# WACM5 Worked Example

Proposer – Niall Coyle, NESO



# WACM5

- The aim of WACM5 is to try and better preserve the locational signals in northern GB, rather than flatlining the tariffs as per the original and most WACMs.
- Rather than setting an explicit cap and floor, we propose to set an absolute cap and a maximum tariff range between the highest and lowest TNUoS zone for each tariff component.
- This would be applied in two steps:
  1. Firstly, if the range of tariffs is larger than the maximum defined range, the tariff in every zone is multiplied by a scaling factor to bring the tariff range back within the maximum range. This scales all tariffs by a factor between 0 and 1.
  2. Then if the highest zone after scaling is still higher than the absolute cap, then a £/kW adjustment would be applied equally to all zones to bring the highest back down to the level of the absolute cap while still maintaining the relative difference between zones.

# Worked Example

Consider a simplified network with 3 generation zones:

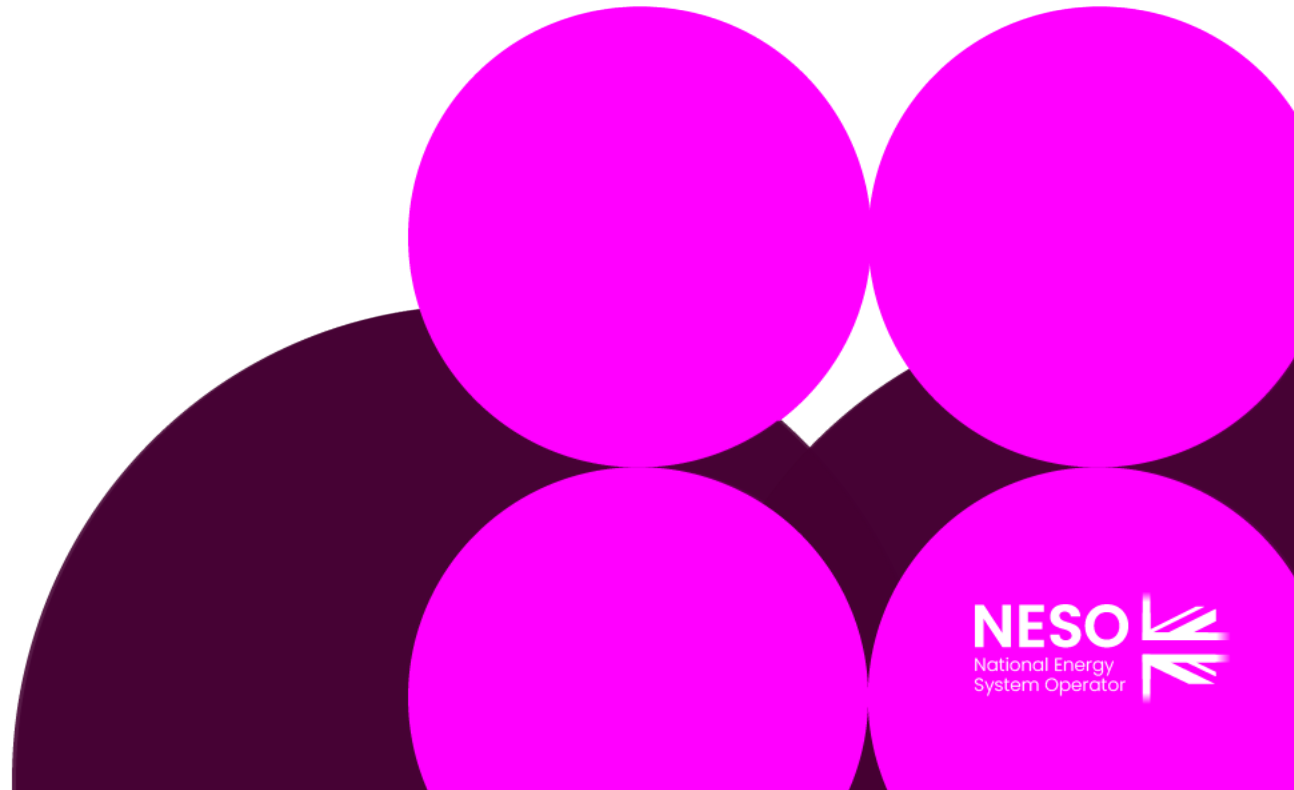
Cap (£/kW)	Maximum Tariff Range (£/kW)
20	30

- STEP 1: If Actual Tariff Range is greater than the defined Maximum Tariff Range  
 Scaling Factor = Maximum Tariff Range / Actual Tariff Range =  $30/40 = 0.75$
- STEP 2: If the highest Scaled Tariff is greater than the defined Cap  
 Cap Adjustment = Cap – Highest Scaled Tariff =  $20 - 22.5 = -2.5 \text{ £/kW}$

Zone	Initial Tariff (£/kW)		Scaled Tariff (£/kW)		Final Tariff (£/kW)
1	30.0	x Scaling Factor (x 0.75) →	22.5	+ Cap Adjustment (-2.5) →	20.0
2	24.0		18.0		15.5
3	-10.0		-7.5		-10.0

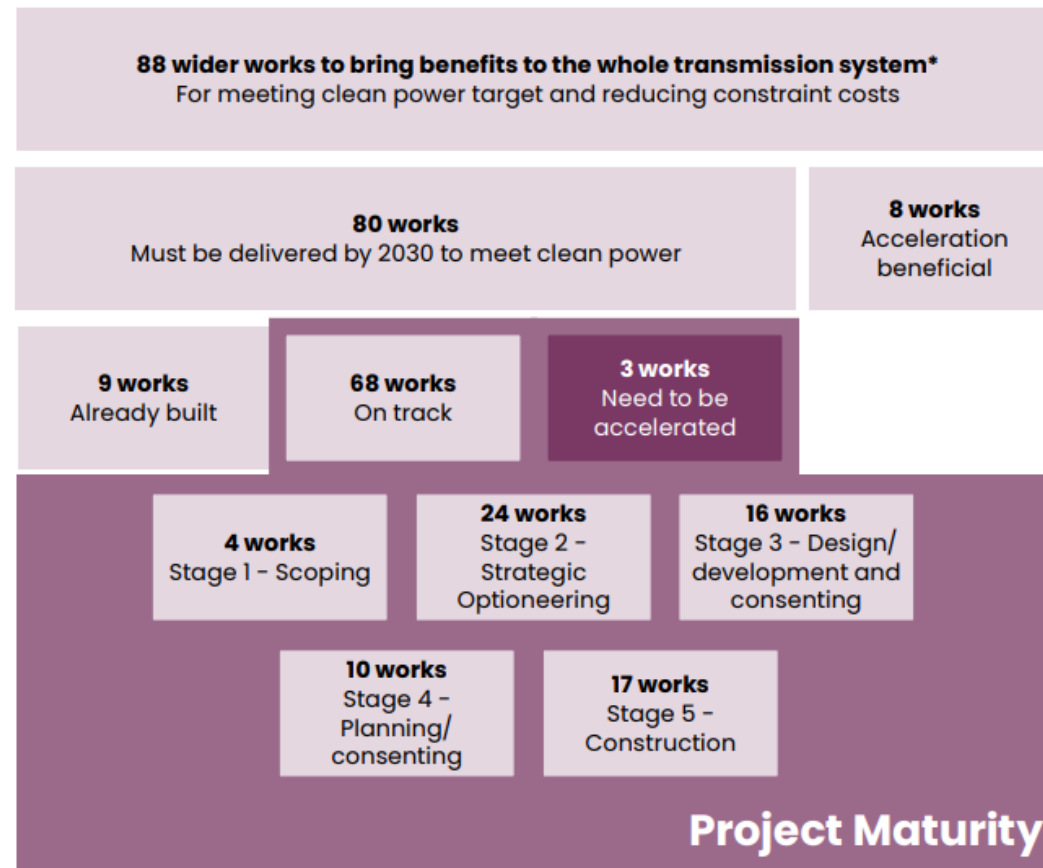
# CP30 Alignment

Proposer – Niall Coyle, NESO



# CP30 Alignment

- The wider transmission network build programme to 2030 was set out in the Pathway to 2030 report published in 2022
- This identified 94 wider transmission projects, which has since been revised down to 88.



# CP30 Acceleration

- Three key projects are identified that need to be accelerated, with a material impact if not delivered by 2030
- None of these projects are currently reflected in the 5-year forecast, so acceleration would lead to an increase vs the forecast

Project	Connections / Support	Impact on Clean Power / Constraint Impact		Latest Status from TOs
		Further Flex and Renewables	New Dispatch	
Norwich to Tilbury (AENC and ATNC)	Delivers new substation connecting <ul style="list-style-type: none"> <li>• North Falls OWF</li> <li>• Five Estuaries OWF</li> <li>• Tarchon Interconnector</li> </ul> Facilitates transfer of clean power through and out of East Anglia	-1.04% +£2.8 billion constraints in 2030	-1.0% clean power +£2.7 billion constraints in 2030	Planned for 2031
Sealink HVDC from Suffolk to Kent (SCDI)	Facilitates transfer of clean power through and out of East Anglia Required for connection of Five Estuaries OWF and firm connection of Rampion Extension	-0.6% +£1.4 billion constraints in 2030	-0.25% +£1.1 billion constraints in 2030	Planned for 2031

# CP30 Acceleration

- Four key projects are identified as on track but would have significant impact if not delivered on time

Project	Impact on Clean Power/ Constraint Impact		Latest status from TOs
	Further Flex and Renewables	New Dispatch	
Eastern Green Link 1 (E2DC), Torness to Hawthorn Pit subsea HVDC link	-0.4% +£877 million	-0.4% +£840 million	In construction; delivery in 2030
Eastern Green Link 2 (E4D3), Peterhead to Drax subsea HVDC link	-0.8% +£374 million	-0.7% +£248 million	In construction; delivery in 2029
Yorkshire GREEN (OPN2)	-0.4% +£1.0 billion	-0.5% +£1.05 billion	In construction; delivery in 2028
400 kV upgrade of Brinsworth to Chesterfield double circuit and Chesterfield to High Marnham double circuit (EDEU)	- 0.9% +£222 million	- 1.0% +£220 million	Planning application expected to be submitted in early 2025 for delivery in 2029

Included in 2029/30 of  
2024 5-year forecast



# CP30 Acceleration

- Six projects are identified for delivery after 2030, but could be accelerated (although may be difficult)
- None of these projects are currently reflected in the 5-year forecast, so acceleration would lead to an increase vs the forecast

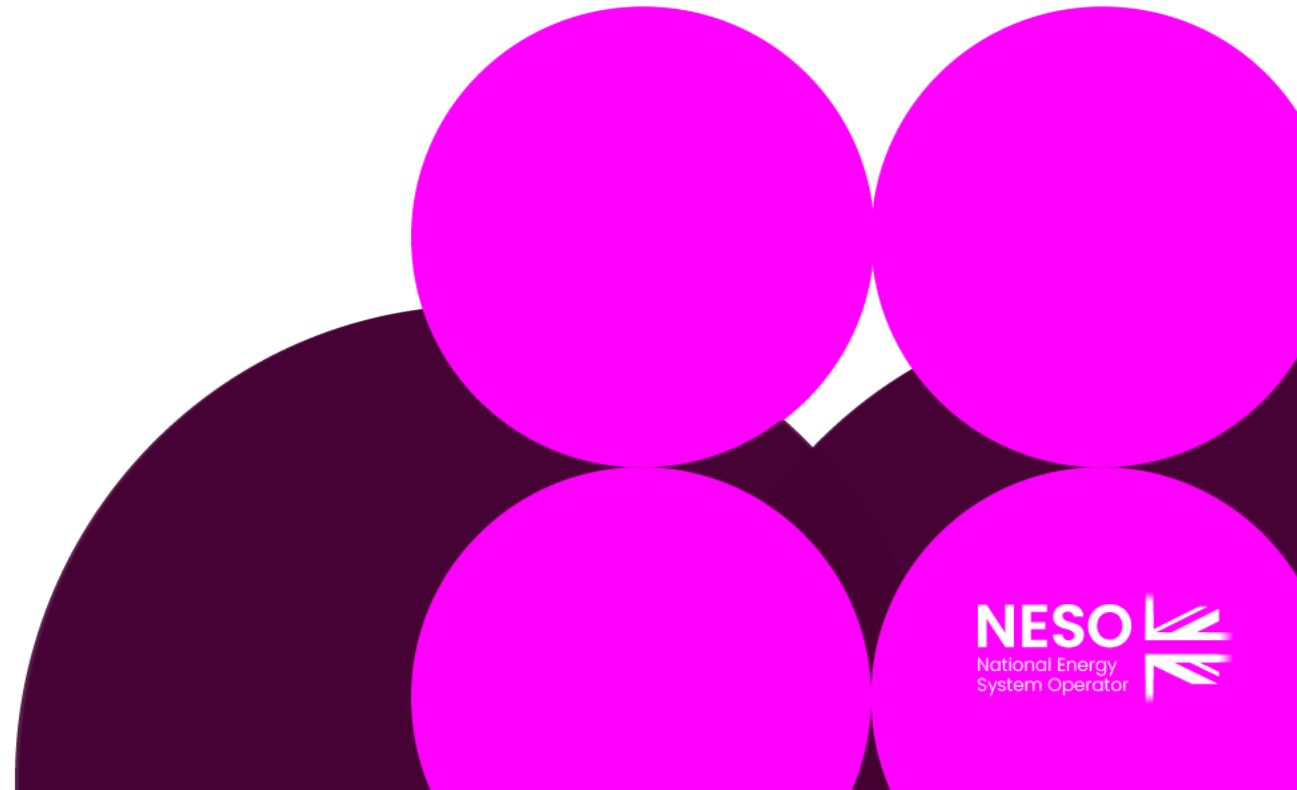
Network	Description	ASTI	Current delivery year based on stakeholder engagement
CGNC	New circuit between Creyke Beck and High Marnham	Yes	2031
E4L5	New offshore HVDC link between Peterhead and the East Coast of England (Eastern Green Link 3)	Yes	2033
EDN2	New circuit between Chesterfield and Ratcliffe-on-Soar	Yes	2031
GWNC	New circuit between North Lincolnshire and South Lincolnshire border	Yes	2033
SHNS	New substation in the South Humber area	Yes	2033
TGDC	New offshore HVDC link between east Scotland and the East of England (Eastern Green Link 4)	Yes	2034

# Legal Text Review for All Alternative Requests and Original

All

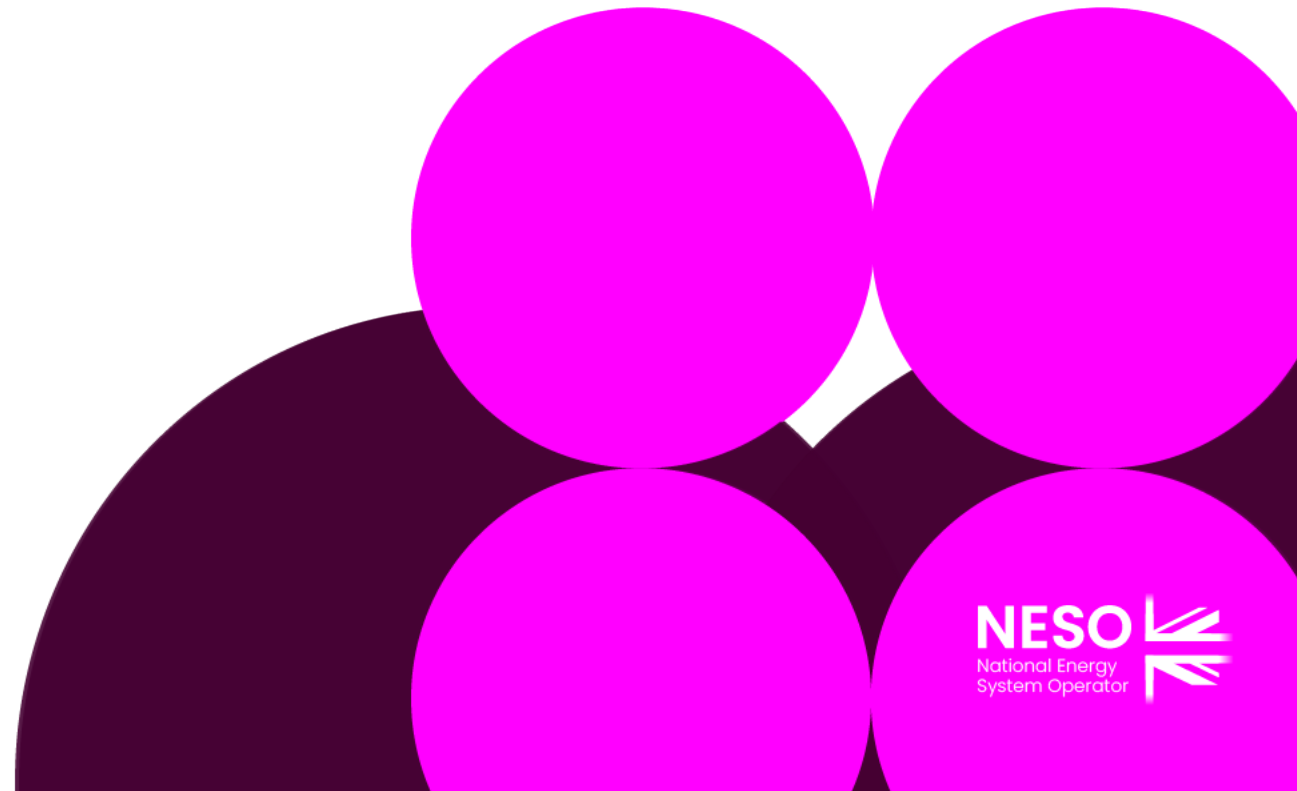
# Analysis –Range Chart Review

All



# Workgroup Report Review

All



# Terms of Reference Review

All

## Terms of Reference updated (November 2024 CUSC Panel)

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
a) Consider EBR implications	
b) Consider the scope of work identified and whether this is achievable within the timeframe outlined in the Ofgem Urgency letter.	
c) Consider the appropriate levels of the cap and floor for each element of wider generation TNUoS	
d) Consider appropriate indexation for the cap and floor levels	
e) Consider interaction with EC 838/2010 and ongoing compliance with the "limiting regulation"	
f) Consider the duration of the cap and floor	
g) Consider what TNUoS data set should be used for CMP444	
h) Consider <a href="#">the Open Letter</a> on Seeking industry action to mitigate the investment impacts of very high projected TNUoS charges	
i) Consider any additional protection required for Generators who make an investment decision while the Cap and Floor are in place.	

# Any Other Business

Deborah Spencer – NESO Code  
Administrator

