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Meeting Summary – Workgroup 3

Meeting name: CMP432 Improve “Locational Onshore Security Factor” for TNUoS Wider Tariffs.

Date: 14/02/2025

Contact Details

Chair: Sarah Williams, sarah.williams@nationalenergyso.com

Proposer: John Tindal, john.tindal@sse.com

Key areas of discussion

Agenda Overview

The Chair outlined the agenda for the meeting, which included an action log review, the Proposers presentation, a review of the draft legal text, AOB and next steps.

Action Log Review

The Chair and NESO Representative reviewed the action log, discussing two actions related to the SECULF model and the transport tariff model. The NESO Representative explained that they are unable to share the SECULF model or provide the industry code for the VBA within the Transport Tariff model due to intellectual property and commercially sensitive information.

The Proposer requested a written response from the NESO Representative outlining the reasons for not providing the SECULF model and the industry code for the VBA. The NESO Representative agreed to provide a written response and mentioned that the issue has been escalated to the NESO legal team for further clarification.

The Proposer suggested an alternative solution of having the data audited by an independent third party, such as an expert consultant who could sign appropriate NDAs.

A Workgroup Member raised concerns about the confidentiality of the data and the need for transparency, especially with CP30 and connection reform. The NESO Representative advised a formal response supported by legal opinion was in progress.

Security Factor discussion

The SSE Consultant presented on the locational security factor methodology, emphasising the addition of transmission capacity through new circuits rather than increasing the loading of existing circuits. They highlighted the importance of considering the secured system when adding incremental generation.

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The SSE Consultant raised concerns that the current LSF methodology does not accurately reflect the realities of the GB transmission system development, which primarily involves adding new transmission lines rather than increasing the capacity of existing ones.

The Proposer and a Workgroup member debated the need to review the security factor and its impact on the transmission charging system due to concerns that the current methodology does not accurately reflect incremental costs and may lead to inappropriate price signals.

Transmission Capacity Discussion

The Proposer discussed the impact of adding new circuits on transmission capacity and the importance of considering short-term ratings and dynamic systems and emphasized the need to understand the incremental transmission capacity required for new generation.

Two Workgroup Members discussed the complexity of the transmission system and the need to consider various factors such as thermal constraints, voltage stability, and reinforcement reasons when determining the Locational Security Factor.

The SSE Consultant highlighted that the addition of new transmission lines can significantly increase cross-boundary capability, demonstrating the impact of new lines on overall transmission capacity. Noting that this evidence supports an LSF of one for certain boundaries, as the new lines provide sufficient capacity without the need for additional security factors.

Draft Legal Text Review

The Proposer presented the proposed legal text amendments, suggesting two options: removing references to the security factor entirely or amending it to one.

The Proposer highlighted the need to address the interaction between locational and local security factors to ensure that changes to the locational security factor do not inadvertently affect local charges.

Next Steps

The Chair discussed the draft work group consultation document and requested feedback on specific questions to be included from work group members.

Actions

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For the full action log, click [here](#).

Action Number	Workgroup Raised	Owner	Action	Due by	Status
1	Request written legal opinion from NESO to support why certain data cannot be shared.	ND	14/02/2025	WG4	Open
2	Request written response from NESO regarding the blockers and why certain data cannot be shared.	ND	14/02/2025	WG4	Open
3	Confirm internally with NESO if independent auditing is an option.	ND	14/02/2025	WG4	Open
4	Follow up with NGT and Scottish Power Transmission to confirm their willingness and availability to share thoughts with the workgroup.	Chair	14/02/2025	WG4	Open
5	Check the representation on the workgroup to ensure appropriate representation from suppliers or relevant parties.	Chair	14/02/2025	WG4	Open
6	Collate Workgroup list of questions for NESO	Chair	14/02/2025	WG4	Open
7	Circulate the email from SL to the Workgroup Members so they know what the ask was.	Chair	14/02/2025	WG4	Open

Attendees

Name	Initial	Company	Role
Sarah Williams	SW	NESO Code Governance	Chair

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Prisca Evans	PE	NESO Code Governance	Tech Sec
John Tindal	JT	SSE	Proposer
Neil Dewar	ND	NESO	NESO Representative
Damian Clough	DC	SSE	Proposer Alternate
Neil Cornelius	NC	Trident Economics	SSE Consultant
Paul Jones	PJ	Uniper	Workgroup Member
Alan Kelly	AK	Corio Generation	Workgroup Member
Andrew Rimmer	AR	First Hydro	Workgroup Member
Giulia Licocci	GL	Ocean Winds	Workgroup Member
Hector Perez	HP	SP Renewables	Workgroup Member Alternate
Marc Smeed	MS	Corio Generation	Workgroup Member Alternate
Paul Jones	PJ	Uniper	Workgroup Member
Ryan Ward	RW	SP Renewables	Workgroup Member
Simon Lord	SL	First Hydro Company	Workgroup Member Alternate
Als Scrope	AS	Northland Power	Workgroup Member
Andrew Urquhart	AU	SSE	Observer
Loukas Papageorgiou	LP	RWE	Observer
Sinan Kufeoglu	SK	OFGEM	Authority Rep
Zahira Rafiq	ZR	NESO	Observer