

Public

Code Administrator Meeting

Summary

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

Date: 20/02/2025

Contact Details

Chair: Deborah Spencer deborah.spencer@nationalenergyiso.com

Proposer : Niall Coyle niall.coyle@nationalenergyiso.com

Key areas of discussion

Action Update

The Chair Provided an update on the actions, mentioning there are three actions for the Proposer and one for CW. The proposer provided updates for actions 5 and 9, and CW confirmed that the spreadsheet shared is related to action 15.

WACM5 Worked Example

The Proposer presented the WACM 5 worked example, explaining the process of preserving locational signals through a cap and maximum range. A detailed example was provided of how the scaling factor and cap adjustment are applied to maintain locational signals. Workgroup members raised concerns about the lack of an explicit floor and the potential impact on locational signals. The Workgroup also discussed the compatibility of WACM5 with the Modification [CPM432](#) proposal and the broader implications for locational signals.

The Workgroup acknowledged the complexity of WACM5 and its potential to maintain locational signals better than other proposals. The discussions highlighted the need for a balanced approach that considers both locational signals and cost reflectivity.

CP30 Alignment

The Proposer presented the CP30 alignment, focusing on key projects identified for acceleration and their impact on the forecast, highlighting the importance of these projects in meeting the 2030 objectives and their potential impact on tariffs.

Legal Text - All WACMs and Original

The Proposer reviewed the legal texts for all alternatives and the Original proposal, highlighting changes related to inflation and confirming the values in the tables. Workgroup members confirmed their agreement with the changes.

Commented [NC1]: Is it possible to expand on these discussions more please, including Pedros comments on locational signals. I think it would be really useful discussion for the WG report

Commented [D(2R1): [@Kat Higby \(NESO\)](#) please see Niall comments

Commented [KH3R1]: I don't think the summary is the right place to expand, but will expand in the WG report

Public Analysis – Range Chart

A Workgroup member provided an analysis of the range of tariffs for different WACMs, presenting the data in both monetary values and percentages. A bar chart and a line chart were included to illustrate the differences between the highest and lowest final tariffs over time.

Based on feedback from the Workgroup, the Workgroup member agreed to add a version of the chart without the baseline to highlight the differences across the WACMs more clearly, committing to providing this updated analysis by the end of the week

Workgroup Report

The Chair led the review of the Workgroup Report, addressing comments and suggestions from Workgroup members. Where Workgroup members agreed with changes, they were made during the meeting. Some comments were made on the Workgroup Report to be addressed post-meeting.

Terms Of Reference Review

Terms of Reference were highlighted in the Workgroup Report by the Proposer who encouraged Workgroup members to flag any terms they felt were not adequately covered so that they could be addressed before the final vote. A Workgroup member requested for the detail of the TOR to be included so they could understand fully what they were reviewing. The Chair agreed to add the detail into the comments for reference.

Next Steps

The final Workgroup meeting is scheduled for 25 February, where the report will be finalised, and a vote will be conducted. Workgroup members are requested to come prepared to discuss any last-minute changes and participate in the vote.

Actions

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

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	Closed
6	Consider additional modelling	Proposer	11/12/2024	12/02/2025	Closed
9	Create a diagrammatic explanation of the methodology for the potential alternative solution.	Proposer	16/01/2025	12/02/2025	Closed

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14	Clarify the impacts of the data set change in WACM 3	MS	12/02/2025	17/02/2025	Closed
15	Adjust the graph to show the data in absolute values instead of percentages, and in pounds per kilowatt.	CW	17/02/2025	19/02/2025	Closed
	CW agreed to add a version of the chart without the baseline to highlight the differences across the WACMs more clearly. He committed to providing this updated analysis by the end of the week.	CW	20/02/2025	25/02/2025	Open
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Attendees

Name	Initial	Company	Role
Deborah Spencer	DS	NESO Code Governance	Chair
Kat Higby	KH	NESO Code Governance	Tech Sec
Niall Coyle	NC	NESO	Proposer
Aaron Priest	AP	Ocean Winds	Workgroup alternate
Alan Kelly	AK	Corio Generation	Workgroup member
Als Scrope	AS	Northland Power	Workgroup alternate
Anthony Dicicco	AD	ESB	Workgroup member
Barney Cowin	BC	Bluefloat Energy	Workgroup member
Binoy Dharsi	BD	EDF	Workgroup member
Caitlin Butchart	CB	InterGen	Workgroup member
Cameron Gall	CG	Energiekontor UK Ltd	Workgroup alternate
Chiamaka Nwajagu	CN	Orsted	Workgroup member
Chris White	CW	Research Relay Ltd	Workgroup alternate
David Jones	DJ	Ofgem	Authority Rep
Dennis Gowland	DG	Research Relay Ltd	Workgroup member
Ghulam Haider	GH	Ofgem	Authority Rep
Hector Perez	HP	ScottishPower Renewables	Workgroup alternate
Lambert Kleinjans	LK	Energiekontor UK Ltd	Workgroup member

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Marc Smeed	MS	Corio Generation	Workgroup Alternate
Mpumelelo Hlophe	MH	Fred Olsen Renewables	Observer
Paul Jones	PJ	Uniper	Workgroup member
Paul Youngman	PY	Drax	Workgroup member
Ryan Ward	RW	ScottishPower Renewables	Workgroup member
Simon Lord	SL	First Hydro Company	Workgroup member
Sven Kunze	SK	Orsted	Workgroup alternate
Thibaut Cheret	TC	OEUK	Observer
Tom Steward	TS	RWE Supply & Trading GmbH	Workgroup alternate
Varun Mittal	VM	TotalEnergies	Observer
Will Maidment	WM	Nadara	Workgroup member